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THE LEAGUE'S BUSINESS

The Constitution a Subject of Radio Broadcasts.—In view of the widespread interest in and controversy over the federal constitution, the Committee on Civic Education by Radio (representing the American Political Science Association and the National Advisory Council on Radio in Education), together with the American Academy of Political and Social Science, will sponsor the thirteenth series of **YOU AND YOUR GOVERNMENT** broadcasts on "The Constitution in the 20th Century." The National Municipal League will not act, as it has done for some time past, as co-sponsor of this series. The programs will be presented over a nation-wide network of the National Broadcasting Company every Tuesday evening for nineteen weeks, from February 4 through June 9, 1936, from 7:45 to 8:00 eastern standard time (beginning April 28, eastern daylight saving time).

Each radio program will be a condensed version of an article which will be published in the May issue of *The Annals* of the American Academy. Preprints of each complete article will be available, however, immediately following its corresponding radio program, at small cost. Special rates will be made for the purchase of the preprints or the bound volumes in quantity for use in schools, colleges, civic organizations, etc.

The February programs are as follows:

February 4—"The Constitution as a Stabilizing Factor in American Life." David P. Barrows, Professor of Political Science, and former President, University of California.

February 11—"Curbing the Court." Edward S. Corwin, Professor of Jurisprudence, Princeton University; former President, American Political Science Association.

February 18—"Property Rights as Obstacles to Progress." Francis W. Coker, Professor of Political Science, Yale University; past President, American Political Science Association.

February 25—"The Constitution as the Guardian of Property Rights." William J. Donovan, former Assistant Attorney General of the U. S.

A folder containing a schedule of the entire series may be secured by application to the National Advisory Council on Radio in Education, 60 East 42 Street, New York City.

The present series of **YOU AND YOUR GOVERNMENT** broadcasts, devoted to "Planning," will continue until the end of January. Following are the last three programs:

January 14—"Public Recreation." Robert Moses, Commissioner of Parks, New York City; President, Long Island State Park Commission; Chairman, New York State Council of Parks.

January 21—"Possibilities in Tax Title Lands." Frank Moore, Counsel, Association of Towns of the State of New York.

January 28—"From Acres to Lots." Gordon Whitnall, Member California State Planning Board.

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New Baldwin Prize Essay Contest.—The League has recently made announcement of the subjects for the 1936 Baldwin Prize Essay contest as follows:

1. The Problem of Tax Delinquency in (any given state)
2. The Effect of Tax Limitation Laws upon Local Government in (any given state, city, or county)
3. The Reorganization of County Government in (any given state)
4. Optional vs. Mandatory Legislation as a Means of Improving Local Government
5. The Problem of Overlapping Governments in (any given state or metropolitan area)
6. The Operation of the City Manager Plan in Small Cities
7. The Operation of the Manager Plan in (any given city or county)
8. The Operation of Centralized Purchasing in (any given city, county or state government)
9. The Appointment of City Managers for a Definite Term (Most managers serve at the pleasure of the city council—would a definite term be more desirable?)

10. The Effect of the Depression on Local Government in (a particular area)
11. Non-partisan Elections in American Local Government
12. Precedents for Single-House Legislatures (as recently adopted in Nebraska)
13. Present Status of the Town Meeting as an American Institution
14. The Record of the City Manager Plan During the Depression
15. The Effect of the Short Ballot Movement Upon the Operation of Democracy in America
16. The Problem of Unemployment Relief in (any given state, city or county).

Essays should reach the League's office, 309 East 34 Street, New York City, not later than May 15, 1936, and should be marked "For the Baldwin Prize." Full particulars may be secured on application to the League. .

* * *

Convention Echoes.—Numerous letters have been received from speakers and participants at the League's forty-first annual convention in Providence, expressing their enthusiasm and enjoyment of the meetings. Here are a few of their comments:

Morris B. Lambrie, Committee on Training for the Public Service, Department of Government, Harvard University: "This was the best meeting of the National Municipal League in all my experience. There was a very fine note of progress prevailing throughout all the proceedings and there was hope and encouragement."

F. C. Walcott, Commissioner of Welfare, State of Connecticut: "It was a great pleasure to meet you and to take part in the conference. It seemed to be well worth while and I brought away from the conference much valuable information."

Norman MacDonald, Executive Director, Massachusetts Federation of Taxpayers Associations, Inc.: "I don't think that I have ever attended a meeting concerning itself with government that was as profitable as yours."

George A. Shipman, School of Public and International Affairs, Princeton University: "Please accept my most cordial congratulations upon the Providence meeting. I have heard a great number of fine comments on the importance of the topics and the great value of the discussion."

Alfred G. Buehler, Department of Economics, University of Vermont: "You are to be congratulated for arranging such a well attended and enthusiastic conference on governmental problems."

Henry F. Long, Commissioner of Corporations and Taxation, State of Massachusetts: "It was a very great pleasure to be with the National Municipal League at Providence."

Arthur S. Flemming, Director, School of Public Affairs, The American University, Washington, D. C., "I thoroughly enjoyed meeting with your group in Providence, and I was particularly interested in the discussions which took place in the Civic Education Sections."

Arthur W. Bromage, Department of Political Science, University of Michigan: "I enjoyed the Conference very much."

C. R. Erdman, Jr., Mayor of Princeton, N. J.: "I wish to congratulate you on the success of the conference in Providence. Everyone with whom I talked was most enthusiastic."

Howard P. Jones, *Secretary*

Editorial
Comment

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January

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British Perspective on Local Government

ONE of the most significant pieces of work in the field of municipal government in many years is the book, "A Century of Municipal Progress," published recently under the auspices of the National Association of Local Government Officers of England. Reviewed briefly in the December issue of the NATIONAL MUNICIPAL REVIEW, the volume deserves any further comment possible that may lead to wider reading and recognition in this country. But, aside from that, its issuance has broader implications that should not be overlooked.

In the first instance, it is a challenging enough fact that in England there exists a National Association of Local Government Officers with a membership of eighty thousand, startling testimony to the self-consciousness of this group. Second, that such an association has initiated and sponsored the production of a study of this character with its remarkable and scholarly sweep of one hundred years of municipal development plus a final look forward with the vision created by that perspective, is indicative, not only of the calibre of leadership existing in that association but of the professional attitude on the part of the members of this group toward their work, clearly an attitude that transcends municipal boundaries to view the function in its relation to the whole.

Skepticism and cynicism invariably greet the suggestion that it is possible in the United States to professionalize the public service along similar lines. True, there are hurdles still to be leaped here, not the least of which is the need for assurance of a career in the public service to eager young men and women who now find only a bewildering maze of politics which they cannot penetrate without "playing the game." But a start has been made and a better start than is generally realized.

Perhaps the symbol of the march towards assured careers in the local government service in America is the city manager. In him, a new profession has had its birth. No local boundaries define the limits of his progress. And there have been in the last two decades a sufficient number of examples of city manager careers to warrant the conviction that here is something in the nature of a foundation upon which to build. The International City Managers Association and the other important organizations of public officials now located in Chicago also represent a dynamic influence in the direction already taken by British local officials. Not to be overlooked, too, is the splendid job of the President's Commission on Better Government Personnel, and the growing consciousness of the problem as evidenced by experimentation in new per-

sonnel methods on various levels of government: the leadership supplied by Civil Service Commissioner Leonard D. White of the federal government, the work of Charles P. Messick of New Jersey and civil service commissions of other states, the way in which the present civil service commission in New York City has bitten into its vast problem—these and many other signs point encouragingly to emerging developments in the line of progress to be anticipated.

Much remains to be done. We have only a start and a long way to go but there is no alternative. The problems of the future will require for solution the best that able men have to give. To refer again to the volume that precipitated this discussion, those whose conception of municipal government is a narrow one would do well to read particularly the final chapter, "The Outlook," written by William A. Robson, well known in America for his distinguished writing on the subject of English local government.

Recognizing that the immediate need in England as in America is the reorganization of the structure and areas of local government to permit the more efficient rendering of present functions, Dr. Robson essays also to provide a glimpse of the developing functions of local government.

"A vast expansion in scale and scope is to be expected all along the line, particularly in public health, education

and housing," he predicts and as an illustration submits that "a universal municipal hospital service, provided without charge to every citizen, will seem a century hence as commonplace a phenomenon as the police forces do to us today."

The past century, he emphasizes, has been a century of material development in the field of municipal government. In the future, he foresees "two great new streams of activity," one relating to the cultural aspects of civic life and the other to the direction of industrial enterprise by local government.

Whether we like it or not, the realm of governmental activity is constantly expanding. Dr. Robson has pictured what appears to be the inevitable in England. The record of our own municipal government is little different. If these be the local government problems of the future, it should be obvious that men and women of capacity and vision will be required in the service of local government if adequate solutions are to be found and economically administered. The more rapidly we make it possible for able men and women to enter the local governmental service with the prospect of a life of achievement, the more rapidly we build up the professional character of the public service, the sooner can we provide the organizational machinery necessary to tackle the big jobs ahead.

Reform in a Rush

PROGRESS in the improvement of local government may be made slowly sometimes but once an idea has achieved fairly general acceptance, it is astonishing with what rapidity change comes.

New York state has been furnishing an interesting example recently. Reorganization of county government has

been widely advocated by leaders in the state for more than twenty years. Bills to permit its improvement have been born to nearly every legislative session within that time only to die for lack of nourishment. Hopes of reformers were dashed year after year.

Of a sudden reform comes with the

speed of wind. The county home rule amendment, ridding the constitution of impassable barriers to fundamental reorganization, unthinkable of passage only three years ago, quickly and almost unanimously rushes through both houses of two successive legislatures, and then is approved by the people of the state by an overwhelming majority.

At the same election, Monroe county, home of Rochester with its city manager plan, votes to adopt the county manager form. Meanwhile, come Nassau county and Westchester county, two of the wealthiest and most populous counties in the state, demanding centralization of responsibility in an executive. And the New York State Commission on Revision of the Tax Laws, charged with

the responsibility for drafting new forms of county government, brings forward no forms which do not recognize the necessity for simplification of government and the centralization of responsibility as well as two forms which embody the county manager plan substantially as advocated by the National Municipal League.

The Commission, long a lone voice crying in the wilderness of politics, finds itself the center of attention. Others in the senate and assembly take up the program for its suddenly acquired political capital. No doubt as to the passage of the program: doubt only as to who shall get the credit! So spring bursts forth suddenly after a tedious winter.

Planning the Care of Unemployables

The care of unemployables needs orderly financing and permanent administrative mechanics

GEORGE A. SHIPMAN

Princeton Local Government Survey

THE initiation of federal relief for the unemployed and destitute, first under the Reconstruction Finance Corporation, and later more adequately under the Federal Emergency Relief Administration, sounded the death-knell of local poor relief in the traditional sense. The demise of this old order leaves few regrets, for, however robust in its time, it had become senile and decrepit, clinging persistently to an increasingly useless existence. Its origins reach back to the reign of Queen Elizabeth, and during the intervening three hundred years it learned little of the changing needs of an ever growing society.

"POOR RELIEF" OUTMODED

In at least three important respects traditional poor relief failed to cope with dependency in the industrial society:

First, it established the relief of indigence as a purely local responsibility, visiting upon the community the entire burden of the care of its own. However reasonable this arrangement may have been at its initiation, it became hopelessly inapplicable to conditions of industrial unemployment, and loss of employment opportunities that bore no relation to the thrift of the worker, or the capacity of his community to aid him.

Second, as a result of leaving the relief of poverty to the smallest unit that could lay its own levy, professionalized ser-

vices were slow to develop. In personnel and attitudes welfare work remained the concern of the amateur administrator, and too often the professional politician. Care was only an incidental interest, trained personnel was never considered, and rehabilitation was unthought of.

Third, the analysis of factors causing dependency and attempts at corrective and curative treatment were far removed from general understanding. Purely local responsibilities atomized official activity, fostered submarginal administration, and choked-off the growth of modernized services. Pervading these conditions, moreover, was the attitude that the dependent were largely at fault for their condition. Public aid was a badge of the indolent, thriftless undesirable, a cast-off from the sturdy ranks of the economically self-sufficient. The great variety of disqualifications visited upon paupers is ample legal annotation of this viewpoint.

More enterprising and more understanding treatment of dependency was left to private charity until the second decade of the present century. Then new forms of specialized treatment began to develop, inspired by a better understanding of the causes of indigence and guided by professionally qualified supervision. Most important of these were the care of dependent children through grants to widowed mothers, "pensions" for needy aged persons and vocational

rehabilitation for persons displaced from employment by injury. But all of these services suffered from a lack of adequate financial support, and particularly the first two which, in spite of the change in attitude and method, still had to depend for the most part upon local property levies. The need was for a method of fiscal support that would tap economic capacity where it existed. In brief, state financing, state administration supervision, and the independence of local welfare functions from the supervision of local fiscal bodies were prerequisites for the development of more adequate services.

LOCAL RESULTS OF FEDERAL RELIEF

The financial plight of state and local governments, together with a realization that the dependency aggravated by the depression resulted from forces that ignored state boundaries and local residence requirements, were primary forces in bringing federal financing to the care of indigents. Particularly in rural areas the lever of federal funds raised new and broader services, manned by a different type of personnel, and profiting, to some extent at least, from federal standards of service. Many of the defects of the emergency activity may be ascribed to the hasty methods of beginning and staffing the new services. In many communities, moreover, there was little or no foundation to build upon, and in some, local attitudes quietly refused to accept the new activity as proper or desirable.

But with the work of the relief administrations there came a definite break with the past—one so abrupt and so complete that in future adjustments there can be no turning back to forgotten methods and disused agencies. There has been created a new activity, until now housed in a perilously makeshift structure, that must be carried on because it serves a basic, unescapable hu-

man need. The immediate concern is for *permanent* provision.

FEDERAL AID FOR UNEMPLOYABLES

The next step after emergency relief contemplates the separate treatment of employable persons and unemployable persons. For employables it seeks to provide employment upon public works until private activity absorbs the labor supply. For unemployables it looks to ward permanent provisions assuring adequate care. This latter phase of the program rests largely upon certain of the provisions of the social security act which seek to guide and assist the states to create regularized care for three major classes of unemployables—the indigent aged, the indigent blind, and dependent children. These services are subsidized, under the provisions of the act, by grants-in-aid to those states providing agencies and legislation that conform to standards set forth in the act. More or less related services also are accorded federal aid under the same act. These are for crippled children, child welfare, maternal and child health, and public health.

But these services will not reach all types of unemployables, for in addition to the “classes” there will be persons incapacitated by illness, accident, or mental deficiency who are as genuinely unemployable as the aged or blind. In any balanced plan this “unclassified group” must be provided for, but at present no federal aid is available to ease the state’s burden of their care.

In the exclusion of this group from federal aid there lurks a grave danger. The services which are directly aided by federal grants will develop under better state supervision and more adequate financing. With maturing administrative efficiency, moreover, steadily increased pressure will be exerted for more and more state funds to expand them. Meanwhile the care of the unclassified

groups may tend to suffer because of the lack of equal stimulation from federal sources and the prominent emphasis being placed upon the "classified" activities. Thus, inadvertently, the unclassified group may become the step-child in the new welfare organization, and will have to be content with whatever comfort it can find among the remnants of state and local revenues and in incidental administrative interests. Unless the states keep constantly in mind that a program for unemployables is only half complete when the requirements for federal aid under the social security bill are met, they may be robbing Peter to pay Paul with little net gain in human security.

PERMANENT PROVISION NEEDED

An orderly plan for the care of unemployables must squarely face the issue that provision is to be made for a permanent activity. Convenient short cuts that will do for temporary and emergency undertakings are out of the question. This principle applies particularly to two important phases of the new program, finance and administration.

Emergency relief has been financed in the main by borrowing, by imposing temporary additional taxation, or by diverting normal revenues. In a number of instances a combination of methods was used, but the first two consistently predominate. In some states all funds have been supplied by local units, in others state and local agencies have managed a joint support, while in some all funds have come from the state. As a generalization, however, it is clear that funds have been supplied by special and temporary devices—selling bonds or imposing special taxes, methods that are out of the question for the purpose of permanent support.

The problem now is to find support for welfare services within the permanent revenues of the state and local govern-

ments. In general this will probably mean increased state indirect taxation, a clutter of luxury and nuisance levies with some temporary sales taxes enjoying an unexpected permanence. These may be easier to impose than increased property levies, for property interests are already fighting for a reduction of present burdens to say nothing of increased ones. Each state, moreover, has its own special fiscal problem and each will absorb its obligations in the manner, and to the extent, that it believes to be least burdensome.

Along with the end of emergency financing there must come a recognition that purely local revenues are hopelessly inadequate and that, consequently, the state itself must assume a substantial fiscal burden if services are to be adequately rendered. This is due to the apparent fact that local needs and local fiscal capacities have nothing to do with each other, and quite apart from the federal requirement that the state must participate in financing the services, state funds will be indispensable for equalizing the abilities of poor and rich communities.

This observation suggests a further consideration—the integration of state and local fiscal support must be carefully and intelligently planned to provide an orderly use of funds in the most effective fashion. This need will demand new and enterprising efforts at varying the conventional grant-in-aid, which ordinarily only cumulates fiscal capacities, and developing "formulas" that will supply state grants in inverse, rather than in direct, ratio to the ability to provide funds locally. This is a problem that should stimulate the enthusiasm of every genuine political *scientist*.

On the administrative side the warning must be sounded that here also temporary arrangements must give way to more orderly and more permanent provisions. These services call for carefully

regulated local discretion, qualified local workers intelligently supervised by the state agency, and a system of overhead mechanics that can operate with accuracy and dispatch, not just for a sudden emergency, but rather in a daily routine of infinite detail. There will be local service units seeking out and investigating potential cases, a task that calls for a professional attitude and at least a modicum of technical understanding. There will be, probably, local boards receiving the reports of case workers and determining whether each case qualifies for the grant recommended. This function needs intelligent local boards equipped with clear-cut definitions of their discretion, and guided in their work by sympathetic state counsel. In the state agency there should be a routine check and review of local action, audits of local commitments and expenditures, disbursement of state funds, and, in accordance with a formula of distribution, the allocation of state grants among the subdivisions of the state. For these duties the state agency will need clear-headed direction, competent personnel and modern business equipment.

A DIFFICULT TASK

All of this is a large order for legislators to fill and for administrators to digest. Nevertheless it is a harsh reality. Here again each state has its own special problems—ones that the pleasant delusion of “model bills” and “model organizations” cannot solve in any realistic way. With them, moreover, is the disconcerting fact that the immediate background of action in this field is not conducive to firm and deliberate building. The emergency viewpoint has so far pervaded every step. “Emergency revenues” were raised for “emergency relief.” “Temporary” and “emergency” administrations were created. Agencies were staffed with “temporary” workers, and often even working equipment was

borrowed or rented. Every emphasis, and properly so, was placed upon the immediate need for producing direct results and, consequently, the orderly construction of a well balanced administrative machine was side-tracked or entirely forgotten in the pressure of the moment.

The time has come, however, for a deliberate clear-headed appraisal of administrative mechanics and the sober reconstruction of activity to serve the needs of admittedly permanent services. This will be a difficult task in the midst of a public clamor for aid, but genuinely effective services, in the long run, demand a conservative beginning. The transfer from direct relief to classified care should not be made with a sudden, dramatic stroke but should come slowly and deliberately as each operating unit is ready to assume its new responsibilities. High pressure action wears dangerous play in the working parts of a new administrative machine, and if continued will reduce a well engineered plan to a clutter of useless junk. A breaking-in period is good common sense.

GUIDES FOR ACTION

In developing administrative mechanics for the new services there are some considerations that deserve an emphasis far beyond the scope of this brief discussion. To indicate the general method of desirable treatment, however, a few words will be devoted to each. There is the need, that should be clearly understood by now, for precise legislative definition of administrative discretion, and equally clear-cut administrative statements of the powers and responsibilities of subordinate agencies. To avoid the demoralization that comes from hazy understanding of assignments, each local board and officer exercising a limited discretion needs to be armed with the most explicit instructions and guided by consistent supervision. A

working manual of administrative orders, rulings and instructions, kept constantly up-to-date, is invaluable to the quasi-amateur participant. Infinite care in mapping-out and clearly defining spheres of activity, methods of procedure, and limits of authority is sensible insurance against official confusion, overlapping effort, and even arbitrary treatment.

The actual mechanics of administration, moreover, should be planned with painstaking effort to the end that every necessary step will be absorbed into standardized routine. Uniform records and procedures could be devised to fit the needs of local units as well as of the state agency. In this way genuine time and effort economies can be realized in the routine of classification, referencing, filing, and searching. Ingenious shortcuts through the use of modern office machinery will minimize the possibilities of human errors, will speed up office activity, and will furnish invaluable statistical by-products. The efficiency value of adequate equipment is familiar to private business. In public activity, however, the importance to direct services of efficient overhead mechanics is too often underestimated.

PERSONNEL

The need for competent personnel is reiterated whenever welfare services are discussed. Resourceful planning and direction, able supervision, efficient office activity, and effective field work demand a type of worker who has not only an appreciation of his task but also a genuine capacity to perform it well. These considerations imply, at once, the desirability of a completely developed "merit system," with non-political recruitment, merit promotions, and security of tenure. Wherever a state "civil service" now exists the system should embrace the new activities, but at the same time it must be remembered that in some states there is neither a "merit

system" in the accepted sense, nor a general belief that one is necessary or worth while. In the face of this attitude recruitment must be as selective as circumstances permit, holding out the hopes that experience will develop professional attitudes and that careful education will soon produce a popular understanding of staff needs. Meanwhile, however, and this applies equally to the merit systems, the possibilities of in-service training should not be overlooked. Some of the most effective efforts at raising personnel standards in recent years have been intradepartmental programs of training, undertaken often without statutory authority. In this way enterprising administrators, with the assistance that federal agencies should be equipped to provide, can add much to the potential effectiveness of their organizations.

In the development of new organizations, furthermore, the practical value of research and statistical services should not be slighted. The gathering of statistical data should be a regular by-product of routine operations. Thus the trend of case loads, the swing of seasonal variations, the characteristics of cases qualified, the changes in amounts of grants, and the county distribution of cases, to indicate only a few, can be followed, and analyzed. From these studies future experience can be estimated, accurate budgets prepared, and distribution "formulas" perfected. This, indeed, is the activity that can warn the administrator of tasks to come, and can point out methods for attacking them.

CONCLUSION

These suggestions make no pretense at exhaustive enumeration of all the problems confronting the planning and initiation of the care of unemployables. Of them there is an infinite variety that reflects the peculiar circumstances confronting each separate plan. In some

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Cities and Their Debt Burdens

Balancing of budgets, determination of borrowing margin, careful attention to planning of debt structure, and wise spending necessary to place communities on a sound financial basis

FREDERICK L. BIRD

Director of Municipal Research, Dun & Bradstreet, Inc.

OUR STATES and municipalities appear to be growing increasingly adept in the art of installment buying, encouraged by the convenience of no down payments and the balance on easy terms over a generation or more if desired. Their outstanding debts, at any rate, have more than doubled in each decade of the present century and now stand at about eighteen billion dollars.

This multiplication of debt has been largely a part of the very desirable process of modernizing governmental facilities and keeping them abreast of civilized demands and requirements. But in the process, state and local debt increased more than nine times while wealth, at its peak, increased less than four times. Thus we have had two gradually converging curves, and the recent downward jog in the wealth curve has most accommodatingly expedited the trend. Here is a development which cannot be permitted to continue indefinitely. At some point the wealth and debt curves should begin to parallel each other, or even draw apart, and there is good reason to believe that we have already arrived at that point—or perhaps even passed it. Such sentiments are not directed against the buying of necessary public improvements and services, it should be emphasized, but at improvident methods of paying for them.

The ability of state and local governments to carry the present debt load

is being rather successfully demonstrated, some three thousand defaults to the contrary notwithstanding; and in all probability they could stand a material, further increase without wholesale insolvency. There is rather concerted agreement, however, that the present burden is quite high enough for comfort and safety. Any general movement to higher levels would be gambling with an uncertain future, and conservatism and good management demand a downward trend to a more safely intrenched position.

There is no precise method of determining how much debt a municipality can carry and eventually repay. As the most basic and permanent form of public service enterprise in our economic and social system, our various units of government possess resources which are unique in their stability and continuity, but there is ample evidence that no large proportion of any municipality's resources can be hypothecated to the payment of debt obligations without weakening it financially, undermining its operating efficiency, and narrowing its prospects for advancement.

A few communities have already taken a balloon trip into the debt stratosphere—and are still there with no place to land. They face the disconcerting alternatives, over the next generation, of dodging creditors, or of tightening their belts, subsisting on a minimum of gov-

ernmental services, and levying such taxes as to immunize them from further growth. With their top-heavy debt loads of \$600, \$800, \$1000 and more per capita they stand as object lessons of what can happen under our present borrowing and lending system.

Waiving this distinguished group as unrepresentative, however, suppose we consider the totality of the country's larger cities. Among the 190 borrowing cities of over 50,000 population may be found abundant illustration of the best and the worst in debt-incurring policy. The median local tax-supported public debt of these cities—including city, school district, and proportionate share of county and special district debt—is \$107 per capita. Nineteen of them, however, have debts of less than \$50 per capita, while, at the other extreme, nineteen have debts of over \$200 per capita. The range is from Springfield, Illinois, with \$23, to Asheville, North Carolina, with over \$800.

Not one of the nineteen in the fortunate low range, needless to say, has had any fundamental difficulty in meeting debt requirements, although two of them were forced to refund maturing bonds because of the operation of arbitrary tax rate limits. And most of them, strangely enough, are comfortably equipped with modern city requirements.

The other nineteen present a somewhat different picture. Eight of them have been in default and four of these continue in this predicament. Five others have been forced to engage in extensive refinancing operations, with the coöperation of banks, security holders and outside advisers, to avoid default. Three have been meeting their maturing obligations partially by the issuance of refunding bonds, and the remaining three felt the pinch of payless paydays and deferred commercial bills in order to meet their debt requirements on time.

It is probable that not more than one or two of these cities will be unable eventually to meet their obligations in full, but many in the above-average debt group are confronted not only with high fixed charges for years to come but with inadequate economic borrowing power to meet their necessary capital requirements and to provide for emergencies that are bound to arise.

NO DECREASE IN DEBT

There has been, in recent precarious years, no general decrease in the state and local debt level. In fact, it is still moving upward, though at a decelerated rate, despite the encouraging deflation progress being made by a not inconsiderable number of governmental units. In terms of capacity to pay, the debt burden has taken on weight in no uncertain fashion. On the one hand, taxable wealth has declined. Though this has not been reflected fully in assessed valuations, they have fallen an average of 18 per cent in cities of over 50,000 population and, in extreme cases, 50, 60, and even 70 per cent and more. On the other hand, the total public debt has shot skyward through the elevation of the federal government debt to the thirty billion dollar level. With the national government thus faced with the requirement of exercising much more extensively its vast powers of taxation, it stands to reason that states and municipalities will have less to draw upon for meeting their own requirements.

The wide diversity in the debt loads of cities with reasonably comparable physical equipment affords some proof that present high debts were unnecessary. Future control demands an awareness of the avoidable causes of excessive indebtedness. Study of the borrowing habits of close to a thousand states and municipalities discloses many of their major weaknesses, not all universally characteristic but combining to present a composite record.

Perfunctory and ineffective borrowing limitations encumber the statute books in most of the states. They frequently permit exemptions, such as assessment debt, which reduce them to absurdity; they often ignore the existence of overlapping borrowing areas or stimulate the creation of new borrowing units as a means of evasion; they tend to encourage borrowing when prices are high and when the public can best afford to pay cash for its requirements, and to handicap borrowing when costs are low and when credit is sorely needed for emergency purposes; and they concentrate attention on the artificial limits of legal borrowing capacity and thus distract consideration from economic borrowing capacity. At least one municipality advertises its legal borrowing margin as its "margin of solvency."

OVERLAPPING UNITS

The old "didn't know it was loaded" story is a second cause of trouble. Because of the multiplicity of overlapping local governments, each with independent borrowing power, the citizens of the average community have no intelligent conception of the weight of their local public debt. The dismay of the inquisitive taxpayer who found his \$200 per capita village debt inflated to a \$1000 community debt when town, school district, and county were taken into account could be duplicated in thousands of municipalities throughout the great majority of the states. Instead of one responsible local control of the community charge account, a whole spendthrift family of local governments has ready access to it.

The diversion of public credit to private speculative purposes is by no means a novel stimulus to excessive public borrowing. After the wholesale municipal defaults of the 1870's, brought on in part by municipal loans for encouraging railroad construction, there was a general movement to ban such distortion

of public borrowing power. In the 1920's, however, municipal credit became the bolstering ally of high-pressure real estate promotion. Municipal bonds carried the load for many a shoestring subdivider; realtors ran many local governments, in fact, sometimes were local governments. Today the municipal financial casualties of this open season on municipal credit are strewn in the majority of metropolitan suburban areas from coast to coast.

Special assessment bonds, needless to say, afforded the readiest medium for such adventures in blue-sky public finance. They were more readily accessible, either through exemption from borrowing limits or because of very perfunctory provisions for official and public approval; and there was often an inadequacy of responsible public control of the extensiveness or the pretentiousness of the improvements involved, or the degree to which they overlapped one another. Professional "petition pushers", employed by realty, material, and equipment interests, not infrequently were the real instigators of such debt accumulation. As an illuminating example may be cited a small Ohio suburban city with a debt of four million dollars—\$800 per capita—just \$5,000 of which is of other than special assessment origin. Its resources for support are five vacant lots for every residence.

Extravagance in the acquisition of public improvements has not been prompted exclusively by civic desire for life's better things. Behind the scenes have been the collusive bid fixers, the contractors and supply people with political affiliates, the land deal engineers and the tin-box boys, all bent on adding their touch of luxury to the normal costs of materials and labor.

Faulty fiscal administration has played a not insignificant part in the unnecessary elevation of the debt level. Chronically unbalanced budgets have

forced wholesale funding of accumulated deficits; long-term borrowing for current expenses, for minor improvements and for rapidly depreciating equipment has made its improvident contribution; and defective debt structures and neglected sinking funds have perpetuated refunding bonds long after the existence of the improvements originally borrowed for. It is the exceptional municipality, moreover, which has done any long-term financial planning, even of the most rudimentary type. A sizeable minority of our municipalities do not even have readily available a computation of maturities of their existing debt.

INCREASING THE DEBT LOAD

Too easy credit, finally, has often encouraged unbalanced budgets by injudicious short-term loans, and has countenanced the piling up of long-term debt loads beyond resources to pay. Municipal lending and investment practices, in other words, have in times past been quite as haphazard and as contributory to the accumulation of unnecessary and excessive debt as have the borrowing practices of the municipalities themselves.

In view of these, and other, past encouragements to excessive borrowing, what are the prospects for holding municipal debt at its present level or of effecting a reduction? The answer is, I think, that the prospects at present are poor. Circumstances combine, unfortunately, to make more borrowing the easier course to follow.

The financing of unemployment relief promises to be a major problem for some years. What share the federal government will continue to carry it is impossible to predict; but it seems clear that the present responsibilities of state and local governments will not be lightened and that pressure for balancing the federal budget will carry with it the urge to withdraw some degree of

federal support. Borrowing for the emergency has had great justification; but it is difficult to see how the states and municipalities which have depended heavily on this means of meeting their relief requirements will be able to discontinue this dependence, for governmental costs are rising again and taxpayers are still clamoring for tax reduction. Five years of chasing prosperity around the block still leave us with an undefined relief financing policy and a consequent prospect of further increase in debt.

Borrowing for relief purposes, it is true, has been somewhat offset by a decline in borrowing for public improvements. Depreciation and obsolescence, however, have continued at their usual rate, serenely oblivious of troublous times—in fact, they have moved faster in many instances because of deferred maintenance. Thus while depression emergency borrowing has prevented a reduction of debt, there has been accumulating a flood of requirements for future capital bond issues.

The Federal Public Works Administration, with its policy of loans and grants to municipalities, affords potentially a partial financial solution to these problems of depreciation and immediate capital needs. Unfortunately it has become a menace to the future financial stability of many municipalities by offering tempting inducements for the incurring of more municipal debt when there was neither real need nor adequate capacity to pay. Let me illustrate by the latest example which has come to my attention—a small, middle-class town, struggling to make both ends meet with a 43 per cent tax delinquency in 1933 and a per capita debt of \$280, nearly four times the average for its population class. Just beginning to see financial daylight again, it is smothered with a PWA loan, which raises its per capita debt to \$320, for a school build-

ing far more pretentious than necessary, if, indeed, any was needed at all. Such indiscriminating policies constitute the very antithesis of federal aid to municipal financial rehabilitation, not only by reimposing on local budgets a part of the work relief cost which the federal government ostensibly was assuming but by encouraging more borrowing by municipalities which should be concentrating on how to lower their debts to conservative levels.

Another impelling drive for the continued upward movement of municipal debt is the spreading practice of holding taxes down by the issuance of deficiency bonds to fund operating deficits and the refunding of maturing bonds. One hundred and forty-five million dollars refunding bonds were issued in 1934, a large part of which were merely deferments of obligations. When funding has been accompanied by steps to assure balanced budgets in the future, and where the extension of debt has corrected an unmanageable debt structure, useful and constructive objectives have been attained. But postponement of obligations for political expediency is merely accumulating higher debt and more trouble for tomorrow. A city which has issued bonds against its back taxes, issued bonds for its entire relief requirements, and refunded over half its maturing bonds for four years—and that is no fictitious example—is merely developing vulnerability for the next depression.

"Debt equalization" is the euphemistic title which has been coined for a form of debt refunding which has excellent prospects of inflating the debt load of those cities which are adopting it. Ostensibly a device for leveling off an awkward pyramid of maturing bonds, it not infrequently is used to establish an equal annual service cost on existing debt over a period of twenty or thirty years. Obviously, each new bond issue will push still further out of alignment

the beautiful balance of the original schedule and tend to give debt a rising trend for years to come.

By and large, then, the present high debt plateau may easily become the base of operations for ascending still higher borrowing peaks. To prevent this trend is one of the biggest and most difficult problems confronting municipal administration, yet its solution seems necessary to preserve the vitality of local self-government.

PAY AS YOU GO

The requirements, as I see them, call for a modified pay-as-you-go policy for the next decade or more. The times are not auspicious for initiating a policy of financing all capital improvements from current revenues, but the very simple expedient should be generally employed of borrowing less each year than is paid off on old debt. One state, New Jersey, has made this policy mandatory until the debts of its municipalities are brought within more reasonable limits. What we need is a moratorium—not on all new borrowing, but on excess borrowing which will force the debt load steadily higher.

Refuting any argument that it cannot be done, is the fact that it has been and is being done, during recent and present inauspicious conditions, by a not inconsiderable number of government units. To cite an outstanding example, Holyoke, Massachusetts, an industrial city which has endured its full share of hard times, has financed its share of unemployment relief entirely from current revenues, has improved its physical equipment, has reduced its debt 40.8 per cent from 1930, and has lowered its total costs, at the same time, 15.9 per cent. Twenty-four per cent of all cities of over 50,000 population now have community debts which are less than 70 per cent of the median debts for their respective census groups. Their problem is the relatively

simple one of holding their well entrenched position. Twenty-eight per cent of these cities, on the other hand, have community debts which are more than 30 per cent above the median levels, and therefore have the longest distance to travel to normalcy.

The accomplishment of any such program calls for planning and it demands more safeguards against excessive borrowing. It may be emphasized, moreover, that the problem is too diverse to be solved merely by some new form of automatic borrowing limit.

WHAT IS THE DEBT LOAD?

First and foremost is the need for facts—the basic facts, first, regarding the community debt load of each municipality, that is, the totality of the local public debt which is supported by the taxpayers of each municipality. By way of illustration: Baltimore has a city debt of \$142 per capita. Its taxpayers support no other local debt. Pittsburgh has a city per capita debt of but \$78; but its taxpayers also support a school district debt of over \$27, their share of the county debt is over \$88. The community debt adds up to \$194.

Only when community debt figures are available is it possible to make valid comparisons. To add concreteness to the discussion, here are the median community tax supported debt figures for cities of over 50,000 population.

Cities of over 500,000 population, \$144 per capita.

Cities of 250,000-500,000 population, \$134 per capita.

Cities of 100,000-250,000 population, \$107 per capita.

Cities of 50,000-100,000 population, \$97 per capita.

The median ratio to estimated taxable wealth is 7.3 per cent.

Such statistics are essential in appraising the debt load of any given

municipality, but they are still too rigid for they ignore variations in resources. Each city's debt must be evaluated not only in terms of the average for its population group, but by relating its resources to the average, through use of such factors as taxable wealth, median value of owned homes and of monthly rentals, per capita retail sales, and percentage of population making income tax returns. The median for this latter index was 4.6 per cent in 1933, but the range was from one-half of one per cent to 13 per cent—from Hamtramck, Michigan, to East Orange, New Jersey. Thus a given per capita debt load becomes much more untenable for one city than another in the same general population range. Given such facts, a municipality can form a fairly definite conclusion as to where it stands in relation to the general debt level.

One means of arriving at a conservative debt destination is to give the tax-paying public more control over borrowing. The requirement of a popular vote on bonds offers no full assurance of judicious practice, but it helps nevertheless. The fact that California cities came through their recent period of mushroom growth with moderate debts may be largely attributed, I think, to the prerequisite of a two-thirds popular vote on all bond issues. In New Jersey, whose municipal debts are notably among the highest in the country, the voters have no direct control over the borrowing activities of their officials. The requirement of a two-thirds popular vote on bonds seems well worth trying—with an exception in favor of 50 per cent for self-supporting utility bonds.

But of more importance, I believe, would be a mandatory requirement for capital budgets and of provision for public hearings on such budgets and on all proposed bond issues, possibly with the right of appeal to a properly equipped state authority.

The extent to which state supervision and control might effectively be promoted is a moot question and one beyond the scope of this discussion. I would have too little confidence in the prospective regulatory personnel in the average state to be a sanguine advocate of rigid and arbitrary state control, but certainly a state agency in every state should be required to present the debt facts and to serve in advisory capacity.

SOUND BORROWING POLICY NEEDED

State imposed borrowing limits offer ample room for improvement in many states, but I question the full effectiveness or equitability of improved limits in any state where a multiplicity of overlapping local borrowing entities exists. In Massachusetts, where one local government does most of the borrowing for the community, a limit based on 2½ per cent of assessed valuation has worked effectively despite the power of the legislature to make exceptions; but in New York, for example, with its layers of patchwork quilt local governments, a 10 per cent limit in theory may mean a 40 per cent limit in fact. Assessed valuation, at best, is an unsatisfactory basis for limiting debt, particularly where the standard used is that of a single year. Averages over a period of years, of assessed valuations or, perhaps preferably, of revenues, are more stable and less conducive to periodic excesses. But they still do not solve the problems created by overlapping areas in the great majority of states. Nothing will be quite so effective as wholesale consolidation to bring the municipal debt situation out into the open where it can be subject to critical scrutiny.

While the memory of the borrowing atrocities of the 1920's is still keen, something should be done in an attempt to safeguard municipal debt for public purposes, and it should be done before the next real estate boom arrives. If the financing of improvements by special

assessment bonds can be radically curtailed and regulated, a devastating blow will have been dealt to the misuse of public credit in a number of states. The curtailment might well start with the requirement that all new subdivisions be provided with local improvements financed by the promoters, and subject to rigid municipal standards and inspection. It should proceed from there to define much more narrowly the conception of what constitutes a local improvement, and to apply to special assessment debt the same principles efficacious in general debt control.

Effective action to control excessive borrowing, fortunately, does not have to await the deliberations of legislatures or amending of constitutions. The power to act and to plan lies largely within the jurisdiction of each municipality so far as its own debt is concerned, and local self-government will prove somewhat lacking in justification if it fails to measure up to the opportunity. More than amateur good intentions are needed, however.

A first step involves the balancing of budgets in fact, rather than only on paper. This calls not merely for living within appropriations, but for more realistic estimates of receipts, and for controlling casual deficits in immediately succeeding budgets. Current operations, at least, must be put on a pay-as-you-go basis to avoid further accumulation of long-term debt for current expenses.

In the second place, a municipality, unless the community debt is very low, might well determine its own borrowing margin over the next ten-year period in terms of the amount of present debt which it will retire—and plan its capital outlay accordingly. A further suggestion is that those cities which have uncollected and unencumbered revenues in the form of large accumulations of back taxes, might set aside a

portion for the building up of improvement funds.

Thirdly, there is need for more careful attention to the planning of debt structure. The extensive substitution of serial bonds for term bonds is eliminating the old problem of sinking funds, but it has created the rather complex problem of planning the maturity schedule. The old rule for retirement of debt within the life of the improvement is as sound as ever, despite its extensive recent and current violation through the refunding of maturing bonds. But the proper planning of debt retirement calls for something more. The present tendency toward rearranging debt, to provide an even level of interest and principal payments on present debt over a period of ten, twenty or thirty years, is an improvident step which will tend to move the debt level upward with each new bond issue. Debt service must be planned in a steady series of steps downward in order to provide room for new borrowing.

Fourthly, municipalities must plan to get more for their money if they wish to maintain adequate facilities and at the same time keep debt down. Illustrations are innumerable of waste through inexperienced judgment, political connivance, and inadequate or inferior engineering and architectural guidance. I am informed by the best engineering authority that within the next few years it will be possible to

build better school buildings at from one-fourth to one-third less cost—an important item when one realizes that school district debt multiplied eighteen times from 1912 to 1932. It seems clear, therefore, that the technician must be brought more strongly into the picture.

Putting legal patches on the dam will stop some of the leaks, but really effective debt flood control must originate at the sources. The power to borrow is one of the most useful and important privileges of our local governments, but it must be used with a critical and intelligent regard for its safe and reasonable limits. A sound borrowing policy for any community calls for the conservation rather than the exhaustion of credit. It demands that the limit of debt to be incurred be gauged by ability to pay under adverse circumstances rather than by resources at the peak of a business boom. A fundamental weakness of the great majority of our cities today lies in their failure to create a credit reserve in times of plenty. It is a weakness not readily or quickly corrected, but a policy of borrowing less each year than is repaid, over the next uncertain decade, will go far toward producing a desired security against such emergencies as the future may have in store.

EDITOR'S NOTE—Address delivered November 25, 1935, at the Forty-first Annual Conference on Government of the National Municipal League at Providence, R. I.

Relocating the Isolated Settler

Governmental economy and improved citizenship and morale may be expected from the wise use of a relocation program

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THE real story of the personal struggle of isolated settlers now located on land that should never have been farmed has never been told. Few would care to tell it. It is a record of a hopeless struggle of men, women, and children isolated on land too hilly, swampy, sandy, or stony, and too unproductive to permit of anything but the lowest level of living. They are isolated from markets, from neighbors, and from community centers by all the barriers of distance, of lack of highways, and of poverty.

In the Lake states, some of these settlers became stranded when the railroads moved out. Others were marooned on small islands of good land in a cut-over and non-agricultural area. Still others with poor land lost all hope when the sawmills closed with the disappearance of timber. They could not support themselves on the land without outside employment, and outside employment was gone. Throughout much of rural America, in the semi-arid plains, in the Ozarks, in the Appalachians, and the far West, the situation is essentially the same and likewise the reasons for relocating isolated settlers are strangely similar.

The dominating motives behind any well-conceived settler relocation plans in regions such as the Lake states must be: government economy in roads, schools, fire protection, public health,

and relief costs; development of forest and recreational resources on land unfit for farming and desirable for these purposes; elimination of potential forest fire hazards; reclamation of rural slums, and improved citizenship and morale.

When relocation is built on these fundamental foundations of human welfare and economy and responsibility in local government, then it becomes an inspired and enlightened community enterprise.

From the viewpoint of the individual settler, relocation means the elimination of a tragic and a futile waste of both human and financial resources.

There are in every county in our sparsely-settled regions many illustrations of the expense unregulated settlement has cost, and is still costing, local communities.

In northeastern Wisconsin, a family homesteaded an isolated "forty", seven miles from a village and two and one-half miles beyond any existing road. It was also located inside an area of several thousand acres of timber on which local government depended for revenue, local industry for raw materials, and local people for employment. This settler demanded the extension of a road two and one-half miles to his farm, and wanted transportation for his children to the school at public expense. The road would cost several thousand dol-

lars to build. It would cost \$450 per year to board the children in the village. The school district and the town board felt that such demands were unreasonable, and further, unnecessary. Finally, as an alternative they secured eighty acres of land close to the village and on a highway on which a school bus and a mail route operated. Local officials induced the settler to trade his isolated "forty" for this well-located "eighty," and, in addition, assisted him in moving and in preliminary developments. This statesmanlike action on the part of the local government improved matters for everyone concerned. The town board has avoided an unnecessary expense for roads. The school district has been saved an unnecessary school transportation expense. A serious forest fire hazard has been eliminated. Most important of all, the family enjoys new social and economic advantages not possible in its old location. Several years have passed since this relocation took place. Time has proved the wisdom of the move. The old homestead and the surrounding timber land have been placed in a restricted use district under the county zoning ordinance, giving assurance to the taxpayers that never again will this land be a burden to them.

ZONING A NECESSITY

It would be futile to relocate settlers from isolated lands without guarding against new settlement in the same locality in the future.

Such assurance can be obtained either by public purchase of all land in the non-agricultural areas of rural America, or by county enactment of rural zoning ordinances.

The first method would require so much money that we can dismiss it without further consideration.

The rural zoning method, first used in Oneida County, Wisconsin, three years ago, is a promising, an inexpen-

sive, and a thoroughly democratic method.

This is comparable to what cities have done for a quarter of a century and more. Cities enacted zoning ordinances to protect property values from being lowered through indiscriminate development. Wisconsin counties established zoning ordinances to protect property owners from increases in taxes through unregulated and unwise settlement. Both are locally initiated and administered, and both are in the public interest. Careful administration of these rural zoning ordinances is the method through which proper relocation may ultimately be accomplished.

We can never hope to blend the old ideal of free pioneering as exemplified by Daniel Boone with the newer ideal of providing government services to anyone regardless of location. These two ideals are inconsistent and conflicting. All such attempts carry the threat of disaster to the finances of local government. They carry, too, the threat of ruination to the individual.

Relocation without rural zoning is a job that will never be done. Zoning without relocation of isolated settlers is a task but half done. Zoning followed by relocation is an undertaking well on the way to completion.

Out of all the studies and the experiences by state and county agencies in Wisconsin, there is common agreement that the following fundamental principles must be made a conspicuous part of any program involving the relocation of isolated settlers.

One of these is that relocation work be limited to those settlers now living within the restricted use districts established by county zoning ordinances. Selecting settlers to be relocated from these districts is to give assurance that public money so expended will be safeguarded in the future.

Likewise, all new farm units developed need to be on potentially good farm land and in established farming

communities close to roads, schools, markets, and community centers. Every effort should be exerted to make the relocated settler feel a part of an established community rather than to make him conspicuous in a new, untried, and undeveloped community experiment.

SECURING OF FARMLAND

Wherever possible, productive farms owned and operated but now for sale by elderly people, or farms at present vacant but productive and well located, should be utilized in this program.

Where new farms are to be developed, an adequate acreage of cleared land and farm buildings of moderate cost, designed for utility, are more essential than an expensive house and inadequate land, or livestock. The cost of the new farm unit must always be kept within the ability of the man and land to repay. No good has ever been accomplished and a great injustice has always been done when a settler has been saddled with a high debt load under which he must stagger, often hopelessly, for a lifetime.

Obviously, all buildings on these new properties must meet accepted standards for the region in which they are located. There is room here for real ingenuity and ability in the use of native materials and in the design and arrangement of farm properties for comfort, convenience, permanence, and for low cost.

In relocation, it is important that little change be made in community relationships. It may be necessary for

special or personal reasons to relocate a family from one county to another with greater possibilities. However, when good farm land can be found in established communities in the same county and the same region, it should be given preference.

It has been said that "human baggage is of all kinds the hardest to be transported." Not all isolated settlers will become farmers and not all want to become farmers. Some are too old, physically handicapped, or otherwise unfitted for farming. Others plan to abandon present holdings when opportunity for employment develops.

There are many uncharted and unchartable aspects of a relocation program. Essentially, it is as much a human problem as it is one of land use. It cannot be done in a month or a year, but it will take many years to complete. It is now clear that the problem of relocating isolated settlers is an intensely practical undertaking, that it is both local and state-wide in its implications and further that it can be met and solved only through a maximum participation of enlightened state and local government.

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PLANNING THE CARE OF UNEMPLOYABLES

(Continued from Page 11)

states present activities will need little more than adjustment and some expansion; but in most the task is that of a new beginning.

Pervading these local differences, there is, nevertheless, the common need for permanent, orderly financing and delib-

erate, clear-headed building of administrative structures—matters too often discounted in the rush of emergency action. The change from direct relief to permanent care should be not an abrupt unloading of responsibilities, but rather an orderly, well planned transition avoiding needless stress upon the administrative mechanics and undue breaks in the continuity of the service that social problems so sorely need.

An outline of suggested sources of municipal revenue to provide maximum public benefits with minimum private burden

To Sweeten Our Tax Tea

HAROLD S. BUTTENHEIM

Editor, *The American City*

WHEN one is a guest in a home in England or Ireland or Scotland, courtesies characteristic of the local culture may be expected. If you were to indicate a desire for added sweetness in your tea, the response of a typical English hostess, it is said, would be: "Please hand back your cup for more sugar." From an Irish hostess you might expect the prompt passing of the sugar bowl, with a request that you help yourself. But a thrifty Scotch hostess would be apt to ask: "Are you sure that you *stirred* it enough?"

It is that story, told at the City Club of New York recently by a British economist, that is responsible for the title of this discussion. When we think that our tax tea needs sweetening, our first impulse is to search greedily for new sources of revenue, without careful stirring of our cup or investigating the old sugar bowl to see whether it is really as empty as some alarmists allege.

In preparing this paper your present discussor has not only appropriated the story just told, but has dipped freely into several recent research repositories. These stimulating aids include Edward W. Harding's monograph on "Municipal Revenues from Sources Other Than Taxation", just issued as Publication No. 35 of the Bureau of Training and Research of the New York State Conference of Mayors and Other Municipal Officials; A. M. Hillhouse's paper

on "Sources of Municipal Revenue", as presented at the 1935 convention of the Municipal Finance Officers Association, and his previous monograph on the same subject published by that organization; Clyde L. King's new book, "Public Finance"; and the publications of the Tax Policy League. For the following attempt, however, to formulate a brief statement of principles relative to municipal revenues, combining excerpts from the above-mentioned sources with some ideas of his own, the compiler must assume full responsibility.

1. The real estate tax is, and must continue to be, the main source of municipal revenues. In many cities collections from this source can be substantially increased and injustices corrected by more equitable assessment and more efficient collection methods.

2. If through state aid or otherwise a reduction in real estate taxes is made possible, such reduction would be most beneficial if applied wholly to the tax on buildings and other improvements and not to the tax on the land; for in the long run it is land values and not improvement values which are enhanced by public expenditures.

3. Similarly, wherever increased real estate taxes or benefit assessments are to be imposed, it is desirable that state laws permit the levying of such added taxes or assessments wholly on land values. As far as possible all processes

of production should be freed from the burden of taxation.

4. Much greater reliance than at present ought to be had on graduated state income and inheritance taxes, and on financial aid from the proceeds of such taxes to county and municipal governments.

5. General sales taxes, either municipal or state, bear no relation to ability to pay, but are instead extremely regressive in character and cannot be justified on the grounds of equity. General sales taxes are, moreover, repressive in their effect upon business, as they tend to diminish buying and to drive business across state lines.

6. Motor vehicle license fees and gasoline taxes ought to be features of state rather than municipal tax systems; their proceeds ought to be used for street and highway construction and maintenance purposes; and in many states a larger percentage than at present of such taxes should be apportioned to the municipalities.

7. In the operation of municipally owned utilities, periodic consideration should be given to the adjustment of rate schedules, both to secure greater equity among the users of such services and added revenues to the municipality from utilities not now wholly self-sustaining. The metering of all water services is one important step to this end.

8. For franchises or license fees for transportation companies—street cars, busses and taxicabs—or for privately owned waterworks, electric and gas plants, the charge should depend on the adequacy of rate regulation under contract or public utility commission control. High franchise or license charges are justifiable only if efficiently operated private utilities would otherwise make exorbitant profits.

9. Government benefits and services when special and direct should, when practicable, be paid for directly by those

receiving such benefits. That this principle may be more generally applied, most municipalities could advantageously give consideration to a thoroughgoing revision of their fee, license, and service charge schedules.

CHARGES FOR SERVICES

10. Consideration should be given to the extent to which the universally accepted principle of financing municipal water supply and electric light and power services in rate charges to users, rather than by general taxation, should be extended to other public services. In general such extension is desirable in the case of services used or needed by substantially less than the total population, for example: Use by transport companies of municipal docks, piers or airports, use of municipal swimming pools and bath houses, use of city-owned parking spaces, use of public school or other auditoriums by clubs, churches, etc.

11. In the case of public services which for sanitary reasons ought to be city-wide, rate charges should be substituted for general taxation only if such policy would result neither (a) in any considerable discontinuance of use of the service by private individuals nor (b) in adding to the burdens of small home owners through the costs of assessing and collecting such service charges.

Under these conditions sewer rental charges are advisable, garbage collection charges are unwise, charges for use of public comfort stations are unwise.

12. Fire department costs ought to be met mainly out of general tax revenues, but fees or service charges may wisely be assessed for such purposes as the following: fire-fighting services outside city limits, fire-fighting costs resulting from arson or from disregard of fire or building codes, periodical inspection of premises by fire departments, approval of installation of oil burners, annual permits relative to the sale, trans-

portation, or storage of explosives or inflammable liquids.

13. Theoretically, every person in a community is entitled to an equal share of police protection. To individuals or groups desiring more than such equal share, a service charge should be made for the following purposes, among others: guard for transfer of bank funds or industrial payrolls, detail at parades sponsored by private organizations, detail for athletic contests or other large gatherings, detail for traffic control at weddings and other private functions.

14. For services of an inspectional or regulatory character, fees should be charged to an amount sufficient only to cover the cost of inspection, issuance of permits, etc. Under this heading would come such permits or services as: permission to cut pavements or curbs, building permits, elevator permits, business licenses, weight and measure inspection, sanitary inspection of places serving food or drinks, inspection of barber shops and beauty parlors, birth and death certificates, motor vehicle inspection fees.

15. Hospital service and clinic care should be on the basis of ability to pay—with free service to indigents and service at cost for those able to pay. Public health nursing service should be rendered free to the indigent and at a nominal visit charge to others not able to employ private nurses.

16. Minor highway privileges merit more consideration than they generally have had as sources of municipal revenues. These include privileges under

the surface of the street, such as areas, ways, conduits, coal holes, tanks, and vaults; surface encroachments beyond property lines, such as bay windows, steps and stoops, loading platforms, vender stands, and temporary storage of building and other materials within street lines; and overhead privileges such as overhanging signs, balconies, fire escapes, and wires. In general, where, as is generally the case, encroachment is not a private right, an annual fee approximating the market rental value of the privilege should be charged.

ELIMINATION OF WASTE

17. Attempts to discover and apply beneficial new sources of public revenues ought, obviously, to be accompanied with a reduction in the wasteful spending of existing revenues, where such exists. To cite only two examples: In many municipalities the present favorable bond market offers an opportunity to save substantial sums in interest rates by the refunding of callable bonds. Installation of modern business machines to replace antiquated methods of copying, tabulating, accounting, and recording is a rational method of reducing waste which municipalities are increasingly adopting.

18. If our municipalities everywhere would do what is now being done with success somewhere, most of their fiscal problems would be solved—and our future cups of tax tea would be both palatable and stimulating.

EDITOR'S NOTE: Address delivered November 26, 1935, at the Forty-first Annual Conference on Government of the National Municipal League at Providence, R. I.

Annual Appraisal of Municipal Reports

Reports for the year
1935 exceed all previ-
ous records for num-
ber and quality

CLARENCE E. RIDLEY

University of Chicago

FOR the ninth successive year I place my life in jeopardy by yielding to the desire of the NATIONAL MUNICIPAL REVIEW to have the annual municipal reports of the country appraised in these pages.

It is encouraging to observe a constantly growing list of cities that each year give a formal account of their stewardship through the pages of an annual report. During the year a total of fifty-five cities issued general municipal reports, thereby exceeding the previous high of forty-seven established last year. As to quality the general average for all reports submitted during 1935 excels that of any previous year—twenty-four or nearly one-half the total issued rated above 70 and were included in the list to be appraised. When this system of grading reports was inaugurated in 1927 a rating of 50 was sufficient to be included in the appraisal; in 1932 the minimum was raised to 60, and in 1934 the minimum rating was increased to 70 in order to keep the number of reports to be rated within reasonable bounds.

THE WINNERS

Three reports tied for first place with a rating of 95—Berkeley, California, Cincinnati, Ohio, and Norfolk, Virginia. The reports of these three cities have just about everything an ideal report should have—attractiveness, brevity, succinctness, significant pictures, impres-

sive charts, emphasis on important facts, and other essentials that help make public reports digestible. Two Rivers, Wisconsin, came next with a score of 93; Memphis, Tennessee, followed with 92; Dayton, Ohio, rated 91; and Auburn, Maine, scored 90. Two cities were given ratings of 89—Albert Lea, Minnesota, and Austin, Texas. Other cities to score 80 or above were Dallas, Texas; Piqua, Ohio; Stratford, Connecticut; Pasadena, California; Alameda, California; Milwaukee, Wisconsin; Oregon City, Oregon; Kenosha, Wisconsin; and Staunton, Virginia. Six cities rated from 70 to 79. They were: Bangor, Maine; Hackensack, New Jersey; Mangum, Oklahoma; Belfast, Maine; San Mateo, California; and Ironton, Ohio.

HONORABLE MENTION

Other cities which issued general municipal reports during the year which for various reasons did not lend themselves to the grading schedule but were nevertheless well worthy of honorable mention were: Alliance, Nebraska; Atchison, Kansas; Bedford, Ohio; Benton Harbor, Michigan; Binghamton, New York; Brewer, Maine; Carlisle, Pennsylvania; Colorado Springs, Colorado; Crystal Falls, Michigan; Ellsworth, Maine; Fredericksburg, Virginia; Grand'Mere, Quebec; Kalamazoo, Michigan; Lynchburg, Virginia; Mansfield, Massachusetts; Mason City, Iowa; Middleboro,

TABLE I
COMPARATIVE RATINGS OF MUNICIPAL REPORTS

Explanation.—The number "5" denotes approach to an acceptable standard, while "0" indicates the value on that particular criterion to be practically negligible. Intervening numbers denote the degree of variation between these two extremes. A total of 100 would indicate a perfect score.

	Berkeley, Calif.	Cincinnati, Ohio	Norfolk, Va.	Two Rivers, Wis.	Memphis, Tenn.	Dayton, Ohio	Auburn, Maine	Albert Lea, Minn.	Austin, Texas	Dallas, Texas	Piqua, Ohio	Stratford, Conn.	Pasadena, Calif.	Alameda, Calif.	Milwaukee, Wis.	Oregon City, Ore.	Kenosha, Wis.	Staunton, Va.	Bangor, Maine	Hackensack, N. J.	Mangum, Okla.	Belfast, Maine	San Mateo, Calif.	Ironton, Ohio
Criteria																								
I. Date of publication																								
1. Promptness	4	4	4	5	3	2	4	5	3	3	5	4	3	1	3	5	0	2	0	3	0	2	0	4
II. Physical Make-up																								
2. Size	5	5	5	5	4	5	5	4	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
3. Paper and type	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
4. Important facts	5	5	5	4	5	4	4	5	5	4	4	4	5	5	5	5	5	5	4	5	4	4	5	4
5. Attractiveness	5	5	5	4	5	5	4	3	5	5	4	5	5	5	5	4	5	4	3	5	4	4	5	4
III. Content																								
A. Illustrative Material																								
6. Diagrams and charts	5	5	5	5	4	5	5	5	2	5	5	3	5	3	5	3	4	5	2	5	5	3	3	3
7. Maps and pictures	5	5	5	5	5	5	5	4	4	5	4	4	4	5	5	4	4	0	4	5	5	3	2	0
8. Distribution	5	5	5	5	5	5	5	5	5	5	4	3	3	5	4	5	4	4	4	5	5	4	3	4
B. Composition																								
9. Table of contents	5	5	5	5	5	5	5	5	5	0	5	5	4	5	5	3	4	5	4	0	0	5	0	0
10. Organization chart	5	4	5	5	5	5	5	5	4	5	5	5	3	4	0	3	5	5	5	4	0	4	0	5
11. Letter of transmittal	5	4	5	3	5	5	5	5	5	5	5	5	3	4	4	3	3	5	5	4	4	5	3	3
12. Recommendations and accomplishments	4	5	4	5	4	4	4	3	4	4	4	3	4	3	4	3	3	2	5	3	3	3	4	4
13. Length	4	4	4	5	5	4	4	5	4	5	5	5	5	2	1	4	3	4	5	3	5	4	5	5
14. Literary Style	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
15. Arrangement	5	5	5	5	5	5	5	5	5	5	4	4	3	5	5	4	5	5	4	5	5	5	5	5
16. Balanced content	5	5	5	5	5	5	5	5	5	5	4	4	4	5	4	4	5	5	4	4	4	2	4	4
17. Statistics	4	4	4	3	4	4	3	4	4	4	3	4	4	3	4	3	3	4	4	4	4	2	4	3
18. Comparative Data	5	5	5	5	4	5	4	5	4	4	3	3	4	4	4	4	4	4	5	3	4	4	3	3
19. Financial statements	4	4	4	4	4	4	3	4	5	5	4	4	4	3	4	4	4	4	4	4	3	3	4	3
20. Propaganda	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Totals	95	95	95	93	92	91	90	89	89	88	88	85	83	82	82	82	81	81	81	79	74	72	71	70

Massachusetts; Mount Desert, Maine; Muskegon, Michigan; Niagara Falls, New York; Norwood, Massachusetts; Rhinelander, Wisconsin; St. Petersburg, Florida; Stamford, Connecticut; Stevens Point, Wisconsin; Southington, Connecticut; Tallahassee, Florida; Washburn, Maine; West Bend, Wisconsin; Westmount, Quebec, Winnetka, Illinois.

BASES OF APPRAISAL

The twenty criteria upon which the grading of these twelve reports was based are:

I. DATE OF PUBLICATION

1. *Promptness.*—The report will have little value unless published soon after the end of the period covered—six weeks as a maximum.

II. PHYSICAL MAKE-UP

2. *Size.*—Convenient for reading and filing, preferably 6" x 9".

3. *Paper and type.*—Paper should be of such a grade and the type of such size and character as to be easily read.

4. *Important facts.*—The more important facts should be emphasized by change of type or by artistic presentation.

5. *Attractiveness.*—The cover, title, introduction, and general appearance should aim to attract the reader and encourage further examination.

III. CONTENT

A. Illustrative Material

6. *Diagrams and charts.*—Certain established rules should be followed to insure an accurate and effective presentation.

7. *Maps and pictures.*—A few well-chosen maps to indicate certain improvements, and a liberal supply of pictures, pertinent to the report, should be included.

8. *Distribution.*—Great care should be exercised in placing the illustrative material contiguous to the relevant reading material.

B. Composition

9. *Table of contents.*—A short table of contents in the front of the report is a great aid for ready reference.

10. *Organization chart.*—An organization

chart or table indicating the services rendered by each unit, if placed in the front of the report, will help the reader to a clearer understanding of what follows.

11. *Letter of transmittal.*—A short letter of transmittal which either contains or is followed by a summary of outstanding accomplishments and recommendations for the future should open the report.

12. *Recommendations and accomplishments.*—A comparison of past recommendations with the progress toward their execution will serve as an index to the year's achievements.

13. *Length.*—Fifty pages should be the maximum length.

14. *Literary style.*—The text should be clear and concise, reflecting proper attention to grammar, sentence structure, and diction.

15. *Arrangement.*—The report of the various governmental units should correlate with the organization structure, or follow some other logical arrangement.

16. *Balanced content.*—The material should show a complete picture, and each activity should occupy space in proportion to its relative importance.

17. *Statistics.*—Certain statistics must be included, but wherever appropriate, they should be supplemented by simple diagrams or charts.

18. *Comparative data.*—The present year's accomplishments should be compared with those of previous years, but only with full consideration of all factors involved.

19. *Financial statements.*—Three or four financial statements should be included, showing amount expended and the means of financing each function and organization unit.

20. *Propaganda.*—It is unethical and in poor taste to include material for departmental or personal aggrandizement. Photographs of officials, especially of administrators, seem out of place in a public report.

COMPARISON WITH PREVIOUS YEARS

Table II indicates a slight recession from the gradual improvement in the reports of those cities that have consistently issued high grade reports for the past six years or more.

It is of interest to observe from Table III, that in spite of the fact that the

TABLE II

City	1928	1929	1930	1931	1932	1933	1934	1935
Austin, Texas	54	65	81	82	88	89	87	89
Auburn, Maine			72	69	88	89	94	90
Cincinnati, Ohio	83	87	89	89	93	93	94	95
Kenosha, Wisconsin	79	68	79	79	79	83	85	81
Two Rivers, Wisconsin	67	78	84	86	92	85	94	93
Average Rating	71	74	81	81	88	88	91	90

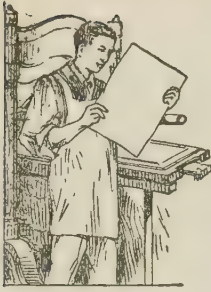
minimum qualifying standard for appraisal has been raised twice since 1927, there were more cities to meet this higher standard in 1935 than in any previous year. It is comforting indeed to observe that while in 1927 the average length of the public report was ninety pages, there is a distinct tendency toward the shorter report, which brought the average this year to fifty-six pages. Encouraging, too, is the fact that promptness in issuing reports shows a reduction of three weeks in comparison with the figure for last year.

In physical makeup the reports this year reached a high mark of 91, as com-

pared with 90 the year before, but yielded two points to last year on illustrative material. In composition, the figure remained the same as that of the past two years. In looking back over the past nine years, I think we can conclude that public officials are becoming aware of the absolute necessity for keeping the public informed on governmental affairs and while it is recognized that the annual report is by no means the only means of accomplishing this objective, it nevertheless is clear that there is a growing demand on the part of the people for public information.

TABLE III

	1927	1928	1929	1930	1931	1932	1933	1934	1935
Number of Reports Appraised	12	17	20	16	14	10	13	16	24
Average Length (pages)	90	78	90	60	72	75	66	68	56
Promptness in Issuing Report (in months)	4.5	3.7	4.7	4.1	3.7	3.2	4.1	4.2	3.5
Physical Make-up (per cent)	78	78	82	86	81	82	87	90	91
Illustrative Material (per cent)	62	58	65	74	74	83	87	86	84
Composition (per cent)	64	66	72	79	85	89	87	87	87



NEWS OF THE MONTH

NOTES AND EVENTS

Edited by H. M. Olmsted

State Social Security Legislation.—Because the federal social security act takes effect only as the states pass approved measures for old-age assistance, unemployment compensation and other welfare provisions, and because of requests already received from a number of governors and state legislative committees for assistance in drafting such legislation, the American Public Welfare Association has just issued a pamphlet suggesting standard bills on these subjects, with additional statements concerning other provisions of the federal act. The bills are the composite result of advisory work on these problems in a number of states and of frequent conferences with the administrative agencies in Washington.

Since the states must show a properly set up department of welfare in order to share in the federal grants-in-aid, a detailed plan of administrative organization is given prominence. It proposes a state board of public welfare of five or seven members, to be appointed by the governor without consideration to political affiliation, for overlapping terms of five or seven years. The board would select a commissioner, who would be the executive and administrative officer of the department, which would comprise divisions of public assistance, child welfare, mental hygiene, and correction.

The Association warns that the bills presented are merely suggestions, since much depends on constitutional limitations, welfare legislation already enacted, and the views of the appellate courts of the states.

Fred K. Hoehler, executive director of the American Public Welfare Association, who on

December 1 assumed the duties of the office which had been held by Frank Bane, now the executive officer of the Federal Social Security Board, warns against ill-founded conclusions as to the expense of a social security program, and urges careful and unprejudiced study of all possible costs to industry and the consumer.

Harvard University Establishes Graduate School of Public Administration.—A gift of two million dollars from Lucius Nathan Littauer of New York City, glove manufacturer and former member of Congress, is to enable the establishment by September, 1937, of a Graduate School of Public Administration at Harvard University, in Cambridge, Massachusetts. The purpose is not only to train governmental specialists but to educate men in a broad way for public service.

In announcing the gift and project on December 10, President Conant of Harvard stated that a commission of five leading educators and students of governmental administration had been appointed "to make a comprehensive report on university education for public service and to recommend plans for the organization of the new school." The commission is headed by President Harold W. Dodds of Princeton University and the National Municipal League, and consists also of Leonard D. White of Washington, United States Civil Service Commissioner; William B. Munro of Pasadena, California, professor of history and government at the California Institute of Technology; Wallace B. Donham, dean of the Harvard Graduate School of Business Administration; Harold H. Burbank, professor of political economy at Harvard; and Morris B. Lambie, professor of government at Harvard, who will be the secretary of the commission.

Manager Plan Developments.—The county prosecutor of Cuyahoga County, Ohio, has ruled that the county-manager charter which was voted upon at the November 5 election failed of adoption, although receiving a substantial majority both in the county as a whole, and in the city of Cleveland, which has approximately three-fourths of the county's population. His decision will be tested. See note on page 35.

Norton, Va., (3,077) adopted the manager plan on December 20 by a vote of 322 to 234.

The manager plan in Ashtabula, Ohio, where it has been in operation since 1915, weathered the fifth attempt of its opponents to cause its defeat at an election, when, on November 5, it was sustained by a vote of 3,366 to 2,864. A citizens' charter committee took an active part in opposing the attack.

Waco, Texas, at a special election on November 19, defeated 43 proposed charter amendments, certain of which would have eliminated the council-manager plan. One amendment, providing for a civil service board, carried.

Robbinsdale, Minn., on December 3 defeated a proposal to adopt the manager plan by a vote of 871 to 575.

In the town of Ludlow, Massachusetts, (1930 population 8,876) the Civic League is working for the adoption of the town manager form of government, and has petitioned the board of selectmen for a special town meeting to act on the adoption of such a plan.

Two recent accessions to the ranks of municipalities that have adopted the manager plan by ordinance are Sewickley Heights, Pennsylvania, and Orange, Virginia.

John N. Edy, who has been city manager of Berkeley, Calif., Dallas, Texas, and various other cities, has been appointed the first city manager of Toledo. Mr. Edy is at present Assistant Director of the Budget at Washington, D. C.

*

Advances in Interstate Coöperation During 1935.—Important and definite evidences of coöperation between the governments of the various states occurred during the past year. According to a review by the Council of State Governments, of which Henry W. Toll is executive director, they include:

January: Council of State Governments holds first meeting, in Washington, D. C., when members of the planning board of the

Council join with the board of managers of the American Legislators' Association and the Interstate Commission on Conflicting Taxation to plan development of the Council and the meeting of the Second Interstate Assembly.

February: Second Interstate Assembly meets, bringing together 150 delegates from more than forty states to discuss conflicting taxation and other problems requiring intergovernmental coöperation.

March: New Jersey legislature adopts joint resolution which creates the first Commission on Interstate Coöperation. Colorado follows.

April: Nebraska, North Carolina, and Florida create similar commissions.

May: Pennsylvania and Maryland establish commissions.

June: New Hampshire establishes a commission. Before the close of legislative sessions, fourteen other states have set up part of the coöperative machinery in the form of joint legislative committees on interstate coöperation.

Thirty-six representatives of twenty-two of these agencies meet in Chicago in conference sponsored by the Council of State Governments.

National Association of Attorneys-General requests establishment of a clearing house service of opinions of attorneys-general by the secretariat of the Council of State Governments.

Tax Revision Council, arm of the Interstate Commission on Conflicting Taxation, holds first meeting in Washington, D. C., with members including representatives of federal, state, and local governments.

July: National Association of Secretaries of State authorizes establishment of secretariat under the Council of State Governments.

October: New Jersey Commission on Interstate Coöperation arranges nation-wide crime conference which sets up the Interstate Commission on Crime.

November: First regional conference on interstate coöperation, of New York, New Jersey and Pennsylvania (see separate note); first meeting of Interstate Commission on Crime to ratify model statutes drafted by twenty-six law schools throughout the country for reciprocal legislation and interstate compacts for the control of crime.

December: See note on interstate coöperation in crime control, this issue.

Nineteen thirty-six should show continued

progress, the Council predicts, if the important building up of the basic machinery of interstate coöperation is accomplished. Commissions on interstate coöperation, it points out, "represent the major opportunity for state governments to reassert themselves as major units of the American governmental system."

*

Regional Meeting of Commissions on Interstate Coöperation.—The first regional conference of the New York, Pennsylvania, and New Jersey commissions and committees on interstate coöperation was held in New York City, November 22-23, to consider immediate steps for hastening interstate solution of such problems as water pollution, milk control, crime prevention, and other pressing regional questions, and also to discuss plans for establishing on a permanent basis a regional office to coördinate the work of the various interstate commissions in the New York area.

These commissions or legislative committees on interstate coöperation now exist in twenty-three states. They are typically composed of fifteen members: five administrative officials appointed by the governor (usually members of his cabinet), five senators, and five members from the lower house of the legislature.

The conference heard such authorities as Attorney-General John J. Bennett, vice-chairman of the Interstate Commission on Crime; Joseph P. Day, chairman of the Interstate Sanitation Commission; and Peter G. Ten Eyck, chairman of the Governor's Committee on Interstate Milk Relations discuss proposals for integrating the work of their respective agencies with the commissions on interstate coöperation. Mark Graves, president of the New York State Tax Commission, discussed interstate tax agreement through compacts and reciprocal legislation, and Dr. Luther Gulick, Director of the Institute of Public Administration, rendered a report on "A Regional Research Program for Commissions on Interstate Coöperation."

HUBERT R. GALLAGHER

Regional Consultant
Council of State Governments

*

Conference Emphasizes Training on Job.—A conference on training for the public service, at which twenty-eight college presidents, deans, civil service commissioners,

teachers and public officials met in Princeton, New Jersey, late in 1935, under the auspices of the Public Administration Clearing House, agreed that the importance of training public employees on the job—"post-entry training"—has not been sufficiently realized, and that great opportunities lie before officials and educators to develop such training programs, in addition to the academic courses now offered by thirty-five or more colleges and universities.

In order to put further emphasis on this part of employee-training, the conference recommended: (1) that a standing committee on the procedure, standards, and objectives of post-entry training be appointed and facilities provided for circulating information on activities in this field; (2) that strong support be given to the efforts embodied in these programs from federal and state vocational education funds; (3) that employing and training agencies jointly assume the responsibility for achieving the objective sought; (4) that a study be made of the possibility of securing visual instructional aids, including motion pictures, for nationwide use; (5) that the United States Office of Education, through its Division of Vocational Education, be asked to extend its professional services in the field of personnel training.

The conference is reported in a pamphlet entitled "Training for the Public Service," issued by the clearing house. It describes widespread training programs in effect from New York to California.

■

College Police School Serves Wide Territory.—A two-months session of an unusual police school ended early in December. It was held at Hobart College, Geneva, New York, under the direction of James M. Williams, professor of sociology and director of the extension department, and R. W. Morris, police chief of Geneva. It began as a six-county police school, and at the close had students from thirteen counties, some of them more than one hundred miles distant. There were two hundred registrants, and over three-fourths of them took the final examination. Many attended at great inconvenience, and the course aroused great interest.

Classes were held two days a week, with a two-hour afternoon session duplicated in the

evening for the convenience of those who could not attend earlier. The lectures were reported for permanent reference. The lecturers were chiefly from federal, state, and municipal police and crime agencies or departments.

*

Interstate Coöperation Against Crime.—

The Interstate Commission on Crime met early in December in New York City and approved anti-crime legislation framed at its request by the leading law schools of the country. The suggested laws will be submitted to state legislatures in 1936 through the Council of State Governments, which provides the secretariat for the commission. Among the bills which the commission approved are those proposing the setting up of bureaus of criminal identification in each of the forty-eight states, finger-printing of all persons who obtain motor vehicle registration certificates and drivers' licenses, the granting of power to a peace officer of one state to arrest a fugitive who has just fled into another state, and uniform state legislation on extradition of criminals.

At present there are state bureaus of criminal identification in approximately half the states. If there were such bureaus in all states, each acting as a central agency for collecting information from local police officers, court officials and coroners, and exchanging this information with the other bureaus, there should be much less chance for a fleeing criminal to escape identification and arrest.

Reciprocal statutes are proposed, permitting peace officers to cross state lines to pick up persons committing felonies. The officer would be required to take his prisoner before a judge, who would determine the lawfulness of the arrest before the fugitive could be returned to the state where the crime was committed.

*

Governmental Improvement Proposals for Pittsburgh.—The Efficiency and Economy Commission of Pittsburgh, Pennsylvania, organized by the Western Pennsylvania Branch of the National Economy League, has been conducting a detailed investigation into the organization and operation of the city government and has submitted various reports to the mayor and city council, which thus

far have recommended consolidation of various independent bureaus in some cases, and in others the separation of functions of certain existing bureaus or departments for more logical and efficient handling. Detailed reports on various specific problems, including centralized payroll procedure and compensation and general public liability claims, have recently been issued.

*

Resettlements and Local Government.—

Rural rehabilitation, resettlement projects, and subsistence homestead developments present fundamental problems both as to local government and taxation. The federal resettlement administration is well aware of the difficulties in that direction and is reported to be framing plans for transferring title to resettlement properties from the national government, which is exempt from state and local taxation, to some form of community organization, under a long-term purchase arrangement, thus making such communities subject to taxation.

A survey of a rural rehabilitation community in Georgia, known as Pine Mountain Valley, has recently been completed by the Public Administration Service. It takes up the question of the establishment of a local government for the conduct of such municipal functions as this settlement of some three hundred families requires. At present the Georgia Rural Rehabilitation Corporation is the agency in control, and the project manager is advised by a council of twelve, chosen by the settlers.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Wisconsin Old Age Pension System Altered to Conform with Federal Law.

—Wisconsin's experience with old-age pensions illustrates succinctly the alterations being made in state and county administration by the entrance of the federal government into the social welfare picture. Wisconsin was third among the states to provide for some form of old-age assistance. This action was taken in 1925 by setting up an optional law empowering counties to provide old age pen-

sions. One county began giving the aid that year. Eleven counties adopted the system, although three of these abandoned it after a short period of operation. Of these, eight are counties containing cities of some size; the remainder are predominantly rural. Under the old law, the state was to bear one-third of the cost of assistance, the counties the remainder. Up until 1931 the state actually did so, but in that year the percentage paid to the counties dropped to 26.42, and thereafter fell continuously until in 1934 the state contributed 16.33 per cent. At that time the state was appropriating only \$75,000 for its share of old-age pensions.

Originally it took a two-thirds vote of the members of the county board to establish the aid. This was changed in 1929 to a simple majority.

Under the original statutory regulations, the aid was given at seventy. The recipient was required to have been a resident of Wisconsin and the county for not less than fifteen years immediately preceding application (interruptions of a total of three years being permitted), or for forty years, at least five of which were to have been spent in county and state immediately preceding the application. The customary stringent resident limitations thus remained a prominent feature of the system. Administration under the old law was conducted by the county judge with advisory regulation from the state board of control.

On April 3, 1934, a state-wide advisory referendum was taken on the question of lowering the age limit to sixty. Out of 686,644 voters, 531,915 voted in favor of such a change. It should be noted, however, that this was only an advisory action and had no immediate repercussion in the form of legislation.

According to new state legislation, the payment of old-age pensions became mandatory on all the counties on July 1, 1935. However, due to state-wide shortage of funds, only two additional counties obeyed the state statute, leaving sixty-one counties still withholding the aid.

The recent legislature passed a new social security act designed to bring the state law into line with federal requirements. Far-reaching changes were made under the pressure of desire and need for federal funds. The

new law covers blind pensions and aid to dependent children, as well as old-age assistance. Old-age assistance is made mandatory on the counties, to be provided to applicants of sixty-five years of age and above, provided that applicant has resided in the state five out of nine years immediately preceding application.

County residence as a requirement is eliminated. Applications are to be made to the county judge, but appeals from his decisions are to be granted before the state agency. The counties are permitted to provide for a county pension department to administer the aid. Milwaukee county is permitted to establish a department of public welfare appointed by the county board to operate under the county civil service law.

Providing state funds for the pensions has been, naturally, a hard nut to crack. The Progressive-controlled assembly passed a bill appropriating five millions for the first biennium to be raised by a gift and estates tax. This would have required the counties to contribute but 15 per cent of the cost. The senate, controlled by a coalition of Republicans and Democrats, killed the bill out of hand. As the appropriations finally developed in the closing days of the session, \$500,000 was provided for old-age pensions for the first year, and \$1,000,000 for the year beginning July 1, 1936. This money is to be raised, along with other funds, by a surtax on net incomes, excepting corporations, equal to 60 per cent of the normal income tax, and by a tax on the privilege of declaring and receiving dividends, from income derived from property located and business transacted in the state, the amount being $2\frac{1}{2}$ per cent of the amount of such dividends declared or paid.

Efforts are now being made to bring the system into operation by January 1. A model ordinance has been drawn providing for a pension board of three members of the county board, the county board chairman, and the county judge. The county has been allowed considerable liberty as to the social service personnel. This ordinance has been halted, at least temporarily, by an opinion of the attorney general that the Wisconsin statutes prohibit a member of the county board from holding another office created by the board. The state agency consists of a representative of the industrial commission, the state director

of the budget, and a representative from the board of control.

LEE S. GREENE

University of Wisconsin

■

New York—Monroe County Adopts Manager Plan.—Monroe County voters at the November election adopted Plan B under the recently enacted Buckley law providing for a county manager and a reorganization of the nonconstitutional county departments. The county thus, in advance of legislative permission for further change which will be provided as a result of state-wide adoption of the Fearon county home rule amendment, elected to take the first steps in modernizing its government.

A curious aspect of the vote was that although petitions for the submission of the plan were circulated by the Democratic county organization, the voters while accepting the plan voted the Democratic majority out of control in the board of supervisors. The result is to put the responsibility for setting up the plan in the hands of the party group which took no part in advocating the change. The Republican leaders have announced, however, that they will take their responsibility seriously, and will set up the plan in a manner satisfactory to all concerned.

The manager who will take office January 1 will serve for a four-year term. He will appoint a director of finance who will absorb the duties of the present elective treasurer, purchasing agent, and county auditor. The treasurer, however, by the terms of the Buckley law, must be allowed to serve out his term under the direction of the manager. The manager also will appoint a director of public works who will absorb in his office the duties of the present appointive superintendent of highways, superintendent of maintenance and construction, and courthouse superintendent. The present elective public welfare commissioner will serve out his term as director of the department of public welfare but under the manager's direction. In addition to his present supervision of the county home, the county hospital, and old-age security administration, he will also direct the county parks which are now in the hands of a citizen board appointed by the supervisors.

The law permits the supervisors to set up

a department of health under section 20B of the public health law. If this is done it will absorb the duties of the present appointive county bacteriologist and director of sanitation and health.

While petitions for the plan were circulated by Democratic workers considerable citizen sentiment for its adoption had previously been aroused by the studies of a charter commission appointed under the Fearon county charter law and including leading Republicans as well as Democrats. Republican members of the charter commission urged adoption of the Buckley plan after it had been discovered that the charter could not be submitted at the November election because of the Fearon bill's requirement of a ninety-day interval between the enactment of the charter by the board of supervisors and its submission to the voters.

HAROLD W. SANFORD

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Missouri — County Planning.—Although county planning is not recognized by law, the research staff of the Missouri state planning board has encouraged and assisted in the establishment of thirty unofficial county boards during the present year (1935). In addition to personal interviews and field work, the state board prepared and furnished to county courts (i.e., Missouri county board of commissioners) a model resolution for the establishment of a planning board. Also, a model set of rules and regulations was prepared and made available to the county planning boards.

The principal work of the county boards to date has been the preparation and recommendation of WPA projects. While it is too early to pass judgment upon the effectiveness of this work, it is hoped that it may lead to the enactment of a county planning law. Incidentally, the state planning board began as an unofficial agency, but attained legal recognition this year.

Prior to 1935, Jackson and St. Louis were the only counties that had done any county planning, their work being limited primarily to highway planning. In addition to county boards, there are two regional planning groups which are interested in Kansas City and St. Louis regions respectively. The Greater Kansas City Regional Plan Association is studying six counties, three in Missouri and

three in Kansas. The St. Louis Regional Plan Commission is interested in an area surrounding St. Louis having a radius of approximately thirty-five miles. About half of this territory is in Illinois and half in Missouri.

WILLIAM L. BRADSHAW

University of Missouri

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Ohio—Adoption of Cuyahoga County Charter Challenged.—Although endorsed by a comfortable majority both in the city of Cleveland and in the county as a whole at the November election, the proposed charter for Cuyahoga County may be rejected on technical grounds. The county prosecutor has held that the charter was not adopted, because it assumes some municipal functions which requires the charter to receive the four-way majorities, namely: (1) in the entire county, (2) in the largest city, (3) in the county outside the largest city, (4) in a majority of the municipalities and townships in the county. The charter failed to receive the last two of the four majorities.

The municipal functions which the prosecutor holds are taken over, either concurrently or exclusively, by the county are these: public health administration; hospital construction, maintenance and operation; civil service administration; police control.

Already plans are under way to test the validity of this ruling of the county prosecutor by seeking by mandamus to compel the board of elections or the secretary of state to certify the adoption of the charter. An early decision will be sought so that candidates who may wish to seek nomination to county administrative offices at the May primary will know whether or not these offices are to be filled by election in November.

TAXATION AND GOVERNMENT

Edited by Wade S. Smith

Federal Policy Jolts Local Finance.—Virtual certainty that federal assistance in public relief is to be drastically curtailed and an increasing share of the burden thrown upon the states and municipalities seems evident with announcements from Washington as this department goes to press.

With apparent finality President Roosevelt

on December 23 told capital correspondents that the national government would, after the end of the present fiscal year, assume responsibility for no more than 3,500,000 employables, and that the unemployables and any employables needing assistance in excess of 3,500,000 would have to be cared for by the localities without expectation of federal aid.

As has been noted before, this policy of returning the relief burden to the cities and the states has long been expected. Only by the strongest representations (by such organizations as the American Municipal Association and the United States Conference of Mayors) was the policy now in force secured. Genuine concern at rising federal expenditures, increasing taxpayer protests, and political considerations of varying degrees of validity have all indicated that determined pressure would be brought to curtail federal aid to the very minimum. With the presidential election looming and increased criticism of the public works program outlay, retrenchment of some sort was inevitable.

Until the new federal budget is made public, it is difficult, of course, to say what the effect of the proposed limitation of federal contributions will be. In many of the states, state and local revenues are already carrying a high proportion of the relief load. In many others, local contributions are shamefully small. Though these latter will have to substantially increase their budgets to assume the relief responsibility now discharged with federal funds, it is probably the localities which have been using as little federal aid as possible which will feel the change most keenly. The generalization seems safe, however, that few cities throughout the country will escape the effects of the new burden, and local taxpayers (i.e., property owners) will find little occasion for joy over the change in policy.

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Depression Finances of Massachusetts Cities.—The financial experiences of Massachusetts cities except Boston during the past few years may be of interest to cities in other sections of the country. While these municipalities are located in the heart of what is commonly considered the most conservative area of the nation it must be emphasized that they represent a wide variety of social and

economic conditions. Of the thirty-eight cities included in the study, six may be classed as residential in character, seventeen as chiefly industrial, and the balance as mixed residential, industrial, and commercial. Per capita valuations of taxable property in these cities range from \$900 to \$2,600 and populations range from 15,000 to 200,000 with the proportion of "native stock" varying from three-fourths to less than one-third. To a certain extent, therefore, these thirty-eight communities may be regarded as representing a cross-section on a reduced scale of smaller American cities.

In general, it may be stated that, taking the communities studied as a whole, the value of real property declined during 1930-34 and with it the total of municipal revenue, while total expenditures increased. Direct results of these developments were an increase in temporary borrowing and the disappearance of the current surplus formerly available for defraying part of the cost of public improvements. There was no increase in bonded debt during the period under review—on the contrary a slight decrease took place. None of the thirty-eight cities issued any scrip and only three were obliged to refund any of their temporary obligations. None defaulted on their interest or redemption payments.

Most of these cities resorted principally to salary cuts or "voluntary contributions" from their employees in an effort to balance their budgets, although economies of this type were, as a rule, offset by huge increases in welfare payments. Owing to reduced expenditures for personal service, rather than to a curtailment in type of service, there was an appreciable decline in the cost of municipal maintenance other than welfare.

Bonded debt, as stated, decreased as between 1929 and 1934; also, its character altered somewhat. The proportion of general construction loans decreased and the proportion of loans for municipal public service enterprises increased; emergency (welfare) loans, which were non-existent in 1929, amounted to about 10 per cent of the total outstanding debt at the close of 1934.

Tax delinquency increased in these cities as it did everywhere; even so, the proportion of 1933 taxes unpaid at the close of the year was apparently only about one-fifth of the corresponding proportion for 113 American

cities under 300,000 population—5.8 per cent for the smaller group as against 24.6¹ per cent for the larger.

In partial explanation of the relatively moderate effect which depression conditions produced in the finances of the smaller Massachusetts cities, taken as a whole, the following may be cited as among the contributing factors:

A generally sound financial status at the beginning of the depression;

The operation of state-collected income, corporation, bank, and other taxes distributed wholly or in part to the cities and towns, thus making available to all communities in some degree the accumulated resources of the area;

Long-standing supervision by state officials of certain features of local finances—especially indebtedness; in cases where communities have availed themselves of the state's credit this has included supervision of local budgets as well;

A comparatively stable and experienced body of municipal employees;

Habitual restraint on the part of most Massachusetts communities in regard to the expenditure of public funds.

As to the first of these factors, state reports for 1929 show an excess of current municipal revenue over current expenses for the thirty-eight smaller cities of Massachusetts of about 6 per cent of total revenue receipts; percentage indebtedness for these cities averaged 4.33 per cent of valuations and temporary loans constituted but 13 per cent of all outstanding indebtedness.

With regard to the effect of state taxes in equalizing the depression burden, it may be stated that although there was a 50 per cent decline in income and corporation tax receipts during 1929-34 nevertheless the yield of state-collected taxes as a whole showed a reduction of less than half this proportion for the period. Delinquency in respect to local property taxes was, as stated, only about one-fifth of the amount reported for American cities of corresponding size.

Supervision by state officials of municipal finances in Massachusetts does not include the approval of local budgets except where communities have borrowed on the credit of the state. However, the prestige of the state's

¹See NATIONAL MUNICIPAL REVIEW, February 1934.

Division of Accounts is such that there is a continuous submission of proposed steps in local finance to the director of the division with resultant avoidance of much unwise expenditure. Furthermore, the powers which this official possesses in respect to municipal accounts, reports, and audits, together with general provisions of state law governing assessments, expenditures, and debt, combine to assure an effective check upon irregularities and extravagances.

Unfortunately no data are available to substantiate the reference to the comparative stability of municipal employment in the cities of the state; pending the compilation of such data this statement must therefore be accepted more or less on faith. This condition is, however, a notable fact and is responsible in the writer's opinion for much of the level-headedness of Massachusetts cities during the past few years.

"Habitual restraint" in spending of money for public purposes is less characteristic of the cities of Massachusetts than it is of the towns where the expenditure of every penny must receive the approval of the open town meeting. Nevertheless, the regional tradition of thrift is strong and exerts its share of influence upon most communities. The comparatively slow increase in population is also a restrictive factor, especially in regard to public works where the cost of replacements and reconstruction normally exceeds that of new projects.

Statistical data in support of the general conclusions given above are analyzed below. Unfortunately, there is some lack of uniformity as to the period covered by the data but the differences between 1933 and 1934 figures are not believed to be material for purposes of this article. It should be noted, however, that the year 1930 was for most Massachusetts cities a better year than 1929 owing to unusually large receipts from state-collected income taxes (based on transactions of the previous year) and that municipal maintenance payments were higher in 1930 than in 1929; indeed, they showed no appreciable curtailment until 1932.

Detailed comment on the data follows:

Assessed Valuation. Changes in the assessed value of taxable property in the thirty-eight cities studied ranged from a decline of 33 per cent in the case of a large industrial city

to increases of 2 and 3 per cent in four cities classifiable as residential or semi-residential.

Indebtedness. The fact that there was no increase in either total or net debt for the thirty-eight cities taken as a whole bears compelling witness to the influence of state supervision over local finances exercised by the Division of Accounts under the able direction of Mr. Theodore N. Waddell. Approximately one-third of the cities studied increased their net debt during the period while the others reduced it. Variations ran from an increase of 69 per cent in the case of a large residential city with low indebtedness to a decrease of 22 per cent in three industrial cities.

Tax Rates. All cities but one—a wealthy residential community—increased their tax rates during 1931-34. The greatest increase (of \$8.35 per \$1000) occurred in one of the larger manufacturing cities where valuations had been drastically deflated. It may be added that the average 1935 tax rate for these thirty-eight cities is \$36.34, or 4 per cent higher than for 1934, indicating the restoration in large measure of the salary and wage standards of normal years.

Cost of Maintenance. For the period 1930-33, complete figures for 1934 not being available, total decreases in *functional* costs were:

Recreation	37	Per cent
Sanitation	24	" "
Highways	23	" "
Protection	20	" "
Public Service Enterprises	17	" "
Libraries	15	" "
General Administration	14	" "
Schools	13	" "
Health	2	" "

The comparatively lenient treatment accorded to public health and education may be considered as indicative of prevailing sentiment in this section as to these services. The picture is, of course, marred by the heavy cut in recreational expense; but it must be admitted that publicly supported recreation is a comparatively recent addition to the budgets of many cities in a region where natural recreational facilities abound. Furthermore, the amounts involved were less than one-fifteenth of those applying to education.

Welfare Costs. Increases for individual cities ranged from 43 to 89 per cent. Some of the highest *proportional* increases occurred in purely residential communities—a fact which may be explained by the comparative absence of a welfare problem in these cities prior to the depression.

Local welfare burdens have to a considerable extent been lightened—or at least deferred—by recent state legislation. Thus, since 1931 a portion of the state gasoline tax has been made indirectly available to municipalities and borrowing for emergency relief purposes,

without affecting the legal debt limit, has been made possible both through the acceptance of tax titles as collateral security and through the direct use of the state's credit.

The force of local tradition is shown by the fact that less than 40 per cent of the money available to the cities and towns under emergency legislation was actually loaned by the state during the first year in which it was made available. With increased pressure for borrowing from both within and without local governmental circles, however, this record has not been maintained.

Debt Ratios. In view of the preoccupation of state supervising officials with the problem of local debt control the result of their efforts as shown in the ratio of indebtedness to valuation is worth noting.

For 1929 the average ratio of net bonded debt to valuation for the communities under review was .038 while in 1934 it was .043, representing an increase of 13 per cent. In the case of 209 cities of 200,000 population and under in 1929 the ratio of net debt to valuation was .065² and in 1934, 204 cities of corresponding size showed a ratio of .081,³ the indicated increase being 25 per cent. The striking differences, both in the percentages of increase and in the ratios themselves, would seem to bear ample witness to the effectiveness of state supervision in Massachusetts.

It is regrettable that no comparison is available for the ratio of debt service charges to total revenue receipts—a much more sensitive index of borrowing capacity than the traditional ratio. For the thirty-eight communities in question this ratio was .018 in 1929 and .021 in 1934—an increase of one-sixth.

Outstanding temporary (revenue) loans for the group of Massachusetts cities represented 0.195 of revenue receipts in 1929 and 0.38 of such receipts in 1934—an increase of 95 per cent for the depression period. Here again no parallel, with comparable American cities can be established, although the latest published census figures (for 1932) indicate an increase in this ratio as compared to 1929 of 110 per cent (from 0.129 to 0.270) for some fifty cities with an average population of 138,000. It would appear from these data that the experience of the smaller Massachusetts cities in failing to balance their budgets differs only in degree from the experience of American cities in general during recent years; the higher ratios for the Massachusetts group are due to the fact that local property taxes in Massachusetts prior to 1935 were payable in October whereas in most other cities they are payable much earlier in the year.

THOMAS L. HINCKLEY

Cambridge, Mass.

²U. S. Census Report, 1929.

³NATIONAL MUNICIPAL REVIEW, June and December 1934.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Cincinnati Gets a New Sort of Council.—

In most cities when a reform regime loses part of its backers for any reason, the old political regime comes back into power. It makes little difference in the result, under plurality election methods, whether the loss is to other independents who divide the vote or whether disaffected voters actually go back to the organization as the only effective alternative. That is perhaps the chief reason why reform regimes are proverbially so short-lived.

Cincinnati, after a phenomenal period of ten years during which the independent City Charter Committee has been continuously in power, this fall denied the City Charter Committee candidates a majority for the first time. An unattached independent "gained support, observers said, from the vote of those who were dissatisfied with the Charter ticket but felt the Republicans should not get control of the city government."¹ He cut heavily enough into the Charter vote to put the Republican organization total slightly above the Charter total. In other words, here was a situation in which a plurality system would have elected the organization slate with less than half the votes because the opposition was divided.

But under proportional representation no such result followed. The two parts of the opposition received their proper shares of the representation separately and the Republican organization was once more limited to the minority of the council which rightly belonged to it. The unattached independent was elected and the Republican organization and the City Charter Committee elected four each.

This fair representation of the three groups insured the continuance of the city's notable good government for another two years. The unattached independent elected was Herbert S. Bigelow, pastor of the People's Church, chairman of the state constitutional convention of 1912, defender of the "New Deal," and nationally known crusader for social justice. In his readiness to turn to municipal owner-

¹Eugene Segal in the *Cincinnati Post*, November 6, 1935.

ship rather than accept any compromise with private utilities, in his emphasis on the "single tax" ideals of Henry George, and in his support of Father Coughlin he presumably does not have the agreement of a majority of either of the other two groups, but when it comes to questions of efficiency in municipal public service and freedom from spoils politics, he has always been in agreement with the ideals of the City Charter Committee. In fact he was one of the original campaigners for Cincinnati's P. R.-manager charter. He is known as a man of ability and principle. His course in the council will be watched with the greatest interest.

A Widely Representative Personnel

Mayor Russell Wilson, leader of the Charter forces, led the poll again with the huge first-choice total of 24,750 out of 137,334 valid ballots cast—nearly twice the quota of 13,734. Mr. Bigelow was close behind with 21,445. These were the only two candidates with more than a quota of first choices.

The Charter Committee re-elected all four of its councilmen who sought re-election: Mayor Wilson, independent Republican, who is a former newspaper editor; James A. Wilson, labor leader and independent Democrat; Edward B. Imbus, the Democratic vice-mayor, a retired merchant; and Anthony B. Dunlap, Democrat, a past president of the Cincinnati Bar Association.

One of the Republican organization councilmen, Dr. Glenn Adams, was defeated. W. D. Gradison, a broker who is generally credited with a fine record in the council, and J. G. Stewart, lawyer, a critic of the Robert Taft leadership of the Republican party with which Mr. Gradison is closely allied, were re-elected. The other two places went to Nicholas Klein, an ex-Socialist labor lawyer, whose place on the Republican ticket can only be explained by the organization's desire to corral votes wherever they could be found regardless of differences in principle and whose course in council may be no joy to his more conservative running mates; and Dr. R. P. McClain, negro physician and member of the Ohio House of Representatives, who, according to the Cincinnati *Enquirer*, "was for all practical purposes cam-

paigning on a Charter platform, with emphasis on health and recreation services."

Together the nine new councilmen form an obviously fair cross section of the city's population, as might be expected from the fact that 90 per cent of those who cast valid ballots² helped elect someone for whom they had voted. This percentage has held in every one of the city's six P. R. elections. This time over 70 per cent saw their very first choices elected.

Importance of the P. R. Transfers

This election gave a striking demonstration of the value of the P. R. transfers. The nine leading candidates on first choices included six Republican organization men and only two Charter candidates. This was partly because so large a part of the Charter vote was concentrated on Mayor Wilson. When the surplus ballots that he and Mr. Bigelow did not need had been transferred to the next choice of each voter concerned so as not to be wasted and when the ballots of the lowest candidates as they were dropped one at a time had also been transferred to their next choices so as not to be wasted on hopeless candidates, the Charter candidates who started tenth and eleventh were elected and the organization candidates who started seventh and eighth were defeated. This was a fair result, for at no stage in the counting did the Republican organization candidates together have the majority vote which would have entitled them to five councilmen out of nine.

Public Discussion of P. R.

The failure of the Charter Committee to elect a majority immediately started talk of a repeal of P. R. The once supreme Republican city organization has always opposed it for obvious reasons and considered this an auspicious moment to win recruits. The Cincinnati *Enquirer*, which from original opposition had been converted to the system by its results in five successive elections, expressed its first disappointment on November 7 in an editorial which said in part:

A city which has attained world-wide fame for the excellence of its government has in a day of mental chaos apparently chosen for its council a strange mixture of sterling public servants and

²The number invalid or blank was 7,791 or 5.4 per cent of the total.

blatant demagogues. . . . Inescapably, we are compelled to reconsider the structure of Cincinnati's government, to determine whether a small council or the nonpartisan ballot or proportional representation is a factor in this decay of public confidence in its trusted leaders. Proportional representation in particular must be analyzed in terms of its results. In years past, it has given us well balanced councils, truly representative of the sober common sense of the population. This year it has become the tool of selfish and misguided blocs.

But just a week later the *Enquirer* was already feeling better about it. Its editorial of November 14 contained the following:

Regardless of its shortcomings as a practical, working legislature, one thing can be said for the new city council of Cincinnati without qualification. It is truly representative of the attitudes and opinions of the people of this city. . . .

There is one bright side to the complex councilmanic picture. We have been striving for nonpartisan government in Cincinnati and for the most part we have had it. In the next two years council will be an aggregation of individuals rather than the creature of a party group. This will be the acid test of nonpartisan government. If the sober, conscientious men in the new council are willing to act consistently in the public interest without regard to party labels, we can move closer than ever to the ideal of nonpartisan government. . . . If the city continues to enjoy good government in 1936 and 1937, we shall know that nonpartisan government has become a full-fledged reality.

The Cincinnati *Post* of the same day rallied to the defense of P. R. with this reminder:

We challenge any foe of P. R. to deny that the next city council will be vastly more representative of the people of Cincinnati than was the 1921-1925 council (elected by the old method), when 69,000 voters were represented by thirty-one councilmen and 65,000 people by only one councilman!

The City Charter Committee Stands Firm

The City Charter Committee itself reaffirmed its belief in P. R. in a public statement issued by its chairman, John J. Emery:

The voters of Cincinnati have spoken. They have chosen their representatives for the next two years. Due to proportional representation every citizen can feel assured that his or her views and desires will have a hearing and be sponsored by

a councilman. This is as it should be, if we are to have a truly representative democracy. The majority of the elected representatives will then decide the questions of policy in accordance with the majority's wishes.

No group that has due respect for the views of other groups can feel aggrieved that it has not complete control of the machinery of government. If any considerable body of people of the same sentiment is forced into silence or consistently denied representation, it festers like a sore in the body politic, and may even disrupt the whole system.

The election returns show that a substantial minority of the voters believe that their interests have not been properly represented in the city council either by the Republican organization or by the City Charter Committee. The representatives of that minority should be given every opportunity to participate fully in the deliberation of council. It is very probable that this minority will learn that the matters upon which this discontent is based are matters beyond the powers of a city council to correct. It is much more likely to reach this conclusion if it is represented in the deliberations of council by representatives of its own choosing.

Far from this election demonstrating the unwisdom of P. R., it demonstrates its extreme fitness for the solution of the problem of democracy. Majority control with minority representation has always been the essence of true democracy, and that we shall continue to have under proportional representation.

*

Hamilton Increases Independent Majority.—Hamilton, Ohio, which held its fifth P. R. election on November 5, has reversed the usual trend of "reform" administrations. Under the old election methods such administrations usually last one term. Even in Cincinnati under P. R. the independent City Charter Committee majority has gradually dwindled as the calibre of the Republican organization ticket improved and the memory of the scandals of former days became more remote. But Hamilton under P. R. has increased the majority of the "Charter" ticket, sponsored officially by the charter commission which drew up the city's P. R.-manager charter, until it has now established what may be a world's record for contested P. R. elections.

In the first P. R. election, in 1927, it elected four out of seven, displacing an entrenched political machine by a high grade

council majority with no political history whatever. In 1929 it elected five out of seven and repeated in 1931 and 1933. This fall it elected six out of seven. Since P. R. assures full representation for opposition elements, this indicates a degree of unanimity of citizens in regard to their city government which few have thought possible.

The result was not due to lack of a real contest, however. There were eighteen candidates on the ballot for council, including a full opposition slate of seven backed by one wing of the Democratic party headed by former Mayor Harry J. Koehler. This opposition ticket elected one member, not the councilman who had been representing it for the last two years but a business man elected two years ago on the Charter ticket who had recently been persuaded to desert.

The Charter Committee re-elected all four of the councilmen it had left and added two others. One of these was a former Republican councilman, Leo J. Welsh, who had been elected four times as an unattached independent under P. R. and had always coöperated with the Charter majority. The other had run well last time as an unattached independent. He was the only new member elected to the council.

Winning Tactics Under P. R.

The expanding success of the Charter group has been due in part to its wisdom in selecting candidates of high calibre one or more of whom could appeal to each of the various natural elements in the city, with the result that nearly every voter found himself wanting to help elect some part of the Charter slate and because of P. R. in a position to do so. A contributing element has been the generous attitude of the Charter group toward candidates not on its slate. Its campaign literature, after giving reasons for the support of its candidates, continues with this unusual advice:

If, however, your favored candidate is not among them, we suggest that you vote for him as your first choice, then for all the Charter ticket candidates in the order of your preference. . . . To be sure that your vote will count, you should vote for at least twelve.

Under P. R. this has proved not only civic decency of a high order but good policy. Whenever an independent candidate was de-

feated, a large part of his ballots regularly showed next choices for Charter candidates.

Factors which would have helped under any system of election are the consistent support of the city's one newspaper, the *Hamilton Journal and Daily News*, and the extraordinary record of public service for which the Charter majority in council and City Manager Price, kept in office by the council, are responsible. Charter leaders are agreed, however, that without P. R. they never would have had a chance to establish such a record in the first place. The record was put before the voters in a series of exceptional advertisements and in candidates' leaflets which read in part as follows:

In 1927 the expense—per capita—of operating our general city government was \$11.07. In 1935 it is only \$6.40. Accumulated savings over the eight-year period—more than one million, two hundred thousand dollars!

Our bonded debt—per capita—in 1928 was \$74.79. In 1935 it is only \$55.25. Total reduction in bonded debt over the eight-year period—more than one million dollars!

Five reductions in the electric rate have netted a saving to consumers of approximately two million dollars, while more than one million dollars, taken out of earnings, have been put into necessary new construction and equipment, and another half million dollars have been set aside as a depreciation reserve and replacement fund.

The old gas debt has been paid off, and a substantial reduction in the gas rate has netted a saving to consumers of approximately \$372,000.00.

A new million-dollar water works and water softening plant and a new half-million-dollar city hall building have been financed and constructed at no extra cost to the taxpayer. An outright grant of 30 per cent of the cost of these plants from the federal government was made possible only because of the splendid financial condition of the city.

Forty-two miles of unimproved streets have been surface treated at no cost to property owners.

A modern, mobile transportation system, covering all sections of the city, at a 5-cent fare, is giving excellent service.

Improved fire-fighting equipment, assuring property owners of reduced fire insurance rates, has been installed.

A modern two-way radio communication system in the police department will soon be ready for service.

The Saturday after election a report of the state examiner, J. D. Breese, gave high praise to the efficiency of the city government in all its departments.

A Contrast in Election Methods

Another election held in Hamilton on November 5 furnished an instructive contrast in election methods. The Koehler faction which elected one councilman out of seven under P. R. won the municipal court election held on the plurality principle. The votes for municipal judge, as unofficially reported in the Cincinnati *Enquirer* for November 6, were as follows:

Elmer Davidson	6,378
Horace C. Shank	3,049
Karl Clark	2,716
Foster Brate	2,335

Total	14,478
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Here 44 per cent won out at the expense of 56 per cent who were divided.

In the P. R. election 11,680 out of 14,007,¹ or 83 per cent, helped elect councilmen for whom they voted and 9,968, or 71 per cent, saw their very first choices elected.

The P. R. count was completed again in one day, beginning at 9.30 Wednesday morning and ending at 2 o'clock that night, with time off for meals. As on previous occasions the editor of this department assisted the Board of Elections.

*

Boulder's Tenth P. R. Election—The little university city of Boulder, Colorado, nestled picturesquely at the feet of the out-post peaks of the Rockies, has used P. R. continuously since 1917. Every second year it elects three members of its council of nine for a six-year term. This arrangement does not give nearly as inclusive representation as if the nine were elected together by P. R. each time but has resulted regularly in a high-grade personnel and whenever there was a real municipal issue has given at least one spokesman out of three to each side.

Professor Don C. Sowers of the University of Colorado, secretary-treasurer of the Colorado Municipal League, writes that in this fall's election the most prominent issue was municipal ownership of the power and

light system. Four of the nine candidates ran together on a platform which called for an engineering investigation of this problem. Together they polled 38 per cent of the votes and elected one of the three successful candidates, Zell F. Mabee, assistant professor of journalism at the University of Colorado.

The first member elected was Frank W. Thurman, already serving on the council by appointment to fill a vacancy, who was believed to be supported by the private utility company but owed his vote in part to personal popularity through Chamber of Commerce, Kiwanis Club, and other social and civic activities. The third member elected was Charles R. Burger, a popular young insurance salesman belonging to a prominent family, who was also considered "safe and conservative" by the opponents of the public ownership movement.

In spite of the small number to be chosen, more than half the voters saw their first choices elected and 71 per cent helped elect someone for whom they had voted. Mr. Sowers writes that the total number of invalid ballots was very small—not far from 2 per cent. The total vote was lighter than it was two years ago, when the people turned out to defeat the third attack on the P. R. provisions of the city charter by a substantial margin.

*

The Annual P. R. Dinner.—The annual dinner and meeting of the Proportional Representation League, held as usual in connection with the Conference on Government of the National Municipal League, was by general consent the high-water mark of these gatherings to date. It was attended by about two hundred people from many states, including the governor of Rhode Island and the mayor of Cincinnati, in the Providence-Biltmore Hotel, Providence, November 25. Dr. A. R. Hatton of Northwestern University, president of the P. R. League, was in the chair.

At the brief business meeting Henry Bentley, Paul H. Douglas, A. R. Hatton, C. G. Hoag, Albert B. Maris, J. Henry Scattergood, and Thomas Raeburn White were unanimously re-elected trustees of the League for the coming year. These trustees are still officially responsible for the League's work even though

¹In addition there were 786 invalid and 91 blank, 5.3 per cent and .6 per cent respectively of the grand total of 14,884.

it is now operated as a department of the National Municipal League.

The chairman announced that vacancies on the League's advisory council, caused by the recent deaths of Stoughton Cooley of Los Angeles, first secretary of the League, and Miss Jane Addams of Chicago, had been filled by the trustees' appointment of Thomas H. Reed of Ann Arbor, Michigan, professor of political science at the University of Michigan and director of the Municipal Consultant Service of the National Municipal League, and Professor Don C. Sowers of Boulder, Colorado, secretary-treasurer of the Colorado Municipal League, who took a leading part in the successful defense of P. R. in Boulder a year ago.

Enlightening reports of this year's P. R. elections and adoptions were given as follows:

Cincinnati—Henry Bentley, vice-chairman and chief strategist of the Cincinnati City Charter Committee;

Wheeling—Julian G. Hearne, Jr., chairman of the Wheeling Association, which was responsible for the new charter's adoption;

Toledo—Bernard L. Gladieux, executive-secretary of the Toledo City Manager League, which had just elected a majority of Toledo's first P. R. council;

Hamilton and Cuyahoga County, Ohio—Dr. Hutton.

These reports were followed by an inspiring address by Samuel Seabury on the outlook for charter revision and proportional representation in New York City. Among other things, Judge Seabury said:

In New York City proportional representation may mean all the difference between a sustained good government year in and year out, such as Cincinnati and some other cities have recently enjoyed, and a spasm of reform once in a generation, such as has characterized our experience in New York.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Governmental Research Association.—

By letter ballot, using the Hare system of proportional representation, the GRA elected three new members to the executive committee in November. The new members of the

committee who will serve until November 1937 are Howard G. Fishack of the Citizens Advisory Finance Committee of Newark, J. M. Leonard of the Detroit Bureau of Governmental Research, and Bruce Smith of the Institute of Public Administration. These three men succeed Philip Cornick, Russell Forbes, and Robert Goodrich.

The three holdover members of the committee whose terms expire in November 1936, are Carter W. Atkins, Clarence E. Ridley, and Harold A. Stone.

At the annual meeting of the National Municipal League the new GRA executive committee met and re-elected Carter Atkins chairman, and Robert M. Paige secretary-treasurer.

The competition for the GRA certificate, awarded each year to the member completing the most noteworthy piece of research during 1935, has been closed. Sixty reports were entered in this contest. The judges are William E. Mosher of the School of Citizenship, Syracuse University; John N. Edy of the United States Bureau of the Budget; and William H. Allen of the Municipal Civil Service Commission of the City of New York. Their decisions will be announced in a few weeks.

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Philadelphia Bureau of Municipal Research.—The following are the high lights in the work of the Philadelphia Bureau during 1935:

Adoption of Photography for Recording Deeds and Copying Wills. Early in 1935 both the recorder of deeds and the register of wills installed equipment for photographic copying in their offices and are now using it. Photographic copying in these two offices was recommended by the Bureau about eight years ago after it had made a study of methods of recording in Philadelphia and other places. This study was followed by persistent educational work and has finally borne fruit.

Sinking Fund Litigation. In 1934 the sinking fund commission appointed the Bureau's chief accountant, Mr. Robert J. Paterson, as one of two auditors to report, among other things, on the appropriation needs of the sinking funds for 1935. The auditors reported that about \$7,700,000 should be appropriated. The city council, on the advice of the city controller, however, refused to make any appropriation. Thereupon

the sinking fund commission went into a common pleas court to compel council to appropriate the amount recommended by the auditors. On July 1, 1935, the court decided in favor of the sinking fund commission, but city council and the city controller appealed from that decision to the supreme court of the state. The supreme court has not yet rendered its decision. In their preparation of briefs, the attorneys for the sinking fund commission relied upon the Bureau for technical assistance, not only while the case was before the lower court, but also after it appealed to the supreme court. In this case are involved a number of fundamental questions affecting the administration of the sinking funds as well as the credit of the city.

Another Sinking Fund Audit. In the summer of 1935 the sinking fund commission again turned to the Bureau for assistance in determining its appropriation needs for the following fiscal year and once more appointed Mr. Patterson as one of two auditors. The auditors reported in November that \$15,400,000 were required by the sinking funds in 1936 to bring their reserves up to standard, no appropriations having been made in 1935. Although the city controller certified that only about \$3,000,000 would need to be appropriated, the sinking fund commission accepted the recommendations of the auditors. City council, however, is again following the lead of the city controller and accepting his certification rather than the request of the sinking fund commission. The questions in dispute concerning the needs of the sinking funds in 1936 are largely the same as those involved in the case now before the supreme court.

City-County Consolidation. The state legislature in its 1935 regular session approved the Bureau's proposed amendment to the state constitution for the consolidation of the city and county of Philadelphia into a single municipal corporation. If this amendment is approved also by the next legislature it can be submitted to the people for ratification in 1938.

Study of Relief "Chiseling." At the request of the Philadelphia County Relief Board, the Bureau made an investigation of five hundred sample relief cases to determine what percentage of the families and individuals on the rolls of the County Relief Board were improperly receiving relief. In

acknowledging the Bureau's report, the chairman of the County Relief Board's committee which sponsored the investigation said, among other things: "There was a disposition on the part of some of the reporters, when we first announced that a check-up was to be made, to suspect a whitewash. When they were told that your Bureau was to do the job they changed front. Their dealing with the report material would indicate, all else aside, that they have great respect for findings, whatever they may be, of the Bureau of Municipal Research."

Other Activities. Other activities of the Bureau during the year include study of tax delinquency in Philadelphia; work on a report on water rates; a report on procedure in the office of the county children's agent in auditing bills of child-caring agencies for children committed by the municipal court as charges on the county; study of legislation authorizing the creation of "authorities" for the financing, constructing, and managing of public improvements; study of methods of amending and revising state constitutions; drafting of a state civil service bill; and consultation services to various organizations in the city and to officials of the city government.

WILLIAM C. BEYER, Director

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Public Administration Service.—The Consulting and Research Division has engaged in a wide variety of survey, installation, and research projects during the past six months.

With the withdrawal of William Lafferty from the relief administration of New York, the advisory work of Public Administration Service lasting nearly a year has been completed.

Arnold Miles is now making a final edit of his two-year study of public library administration.

A system of public works and purchasing records and accounting was installed in Newton, Mass., by Walter Harris, Randolph Chaffee, and C. A. Bingham.

A survey of organization and administration was directed by Gustave Moe for the Rural Electrification Administration.

A report of recommendations for the administration of the Pine Mt. Valley Community project was prepared by Joseph Pois for the Georgia relief administration.

The staff completed its work for the Federal WPA and Donald Stone resigned as chairman of the committee on procedure.

John Willmott and Joseph Pois drafted reports on finance, purchasing, and personnel for the Connecticut State Commission on the Reorganization of State Departments.

Walter Harris directed the work of designing improved accounting, auditing, plant, and equipment procedures for the TVA.

Joseph Pois is making a survey of personnel administration of Cincinnati, Hamilton County, and the Cincinnati school board, for the city-county-schools coordinating committee.

Technical assistance is being given the city of Boston in the conduct of certain work relief projects of a research type.

Public Administration Service is assisting Luther Gulick, the director of the New York State Regents Inquiry into the Character and Cost of Public Education. Messrs. Moe, Willmott, Drake, and Bingham of Public Administration Service staff are installed in Albany for a year or more. Bradford Trenham, education counselor of the California Taxpayers' Association, has secured leave of absence to assist in this undertaking.

Technical aid is being given to the Michigan Civil Service Study Commission in the framing of a state personnel program.

Four recent additions to the staff of Public Administration Service are: John F. Willmott, who has been transferred from the staff of the Municipal Finance Officers Association (Mr. Willmott has been on the staffs of the San Francisco and Kansas City, Kansas, research bureaus, research director of the Hamilton County (Tenn.) Taxpayers' League, and assistant secretary of the International City Managers' Association); Russell Drake, formerly of the Cincinnati Bureau of Governmental Research and finance director of the Hamilton County (Ohio) Welfare Department; Miss Ada Watson of the Rochester Bureau of Municipal Research and budget officer of Berkeley, California; and David L. Robinson, Jr., who was the assistant city manager of Dallas, field agent in Texas for the American Municipal Association, and more recently an executive assistant in the Federal WPA. Mr. Randolph Chaffee, Public Administration Service staff engineer, has

recently resigned to accept a position in the finance division of TVA.

DONALD STONE, *Director*

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Toledo Commission of Publicity and Efficiency.—On January 1 Toledo's new small council, city manager government was inaugurated. In order to get the new government off to a good start, an independent group of citizens has formed an unofficial organization known as the Citizens' Survey Committee. The Committee will conduct an extensive research program going into all city departments and functions so that the new city manager will have at hand a complete and exact statement of existing conditions in his various departments. The survey group is composed of some eighty or ninety business executives. From this large group a number of small sub-committees has been formed. It is the function of these sub-committees to study individual departments and particular subjects intensively and to submit written reports. Sub-committees have been formed for study of the following fields: municipal finance, accounting, cost accounting, bond refunding, law, purchasing, engineering, welfare, civil service, and safety. Each sub-committee is composed of individuals whose private businesses have brought them into touch with the problems they are to study. For example, the sub-committee on purchasing is composed of a number of purchasing agents. A large group of cost accountants has been assembled for the purpose of studying present methods, procedures, and cost records in virtually all branches of municipal service.

Dr. Lent D. Upson, director of the Detroit Bureau of Governmental Research and of the School of Public Affairs of Wayne University, has been engaged to direct this survey and correlate the numerous reports into a single, unified research study. The secretary of the Commission of Publicity and Efficiency will serve as the assistant director. It is anticipated that the complete report will be issued in January to the new councilmen and the city manager. At a later date, probably in February, the report will be given to the people. Recommendations will be kept at a minimum—they will not be made except as incidental in pointing out present conditions. Later on it is planned to follow up the initial

report with more intensive research and study, making recommendations, suggesting procedures, and setting up systems.

During the past year the Commission has supervised a number of work-relief and WPA projects. Records are being brought up to date in several city departments; a central index is being prepared for the engineering department; and a comprehensive analysis of Toledo's raw milk supply is being made. The milk study is complicated by the fact that Toledo receives its milk from Michigan and Indiana as well as from Ohio, so that three sets of state statutes govern its production and distribution. The Commission is also completing a revision of the municipal code.

G. BURMAN CURRY, *Secretary*

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Providence Governmental Research Bureau.—In October the Research Bureau completed its third year of work. Activities during the past twelve months may be briefly summarized as follows:

A monthly news letter was established to give a wider dissemination of research bureau findings and conclusions.

A series of twenty articles bearing on governmental problems in the state and city was prepared and published in the *Providence Journal*.

A statistical bulletin giving a ten-year detailed analysis of all local revenues and expenditures was prepared.

Estimates were made of the probable yields of new or additional taxes on incomes, sales, gasoline, tobacco, etc.

In November 1934 the Bureau published a report on the Providence Tax Department. In April 1935 the Board of Tax Assessors, accompanied by a representative of the Bureau, visited Newark, Pittsburgh, Cincinnati, Detroit, and Cleveland for the purpose of examining the assessing practices followed in those cities. The Bureau is cooperating with the Tax Department in the work of revising present assessment procedures and adapting to the peculiar conditions of Providence the best practices employed in other jurisdictions.

Budget procedures of the city have been investigated and recommendations presented to city officials.

A study of municipal pensions is being brought to completion.

A survey of the taxing systems of the eleven northeastern states is in progress.

Two studies have been made during the year of welfare expenditures. The first recorded the welfare expenditures of Providence from the beginning of the depression. The second report compared welfare expenditures in Rhode Island with other states.

Robert Goodrich, executive director of the Bureau, concludes his annual report with these remarks:

"In work such as that which is performed by the Bureau there is inevitably a lag between the direct effort and results. At best improvement in government is slow, and under conditions as they have existed in the past few years it would be remarkable if anything definite and specific could be pointed to as a result of the Bureau effort since its establishment in October 1932. Yet notwithstanding this, the fact that the Providence tax rate has not been increased, that borrowing has been reduced to about one-third of its previous level, that the administrative and maintenance costs of the public school system have been cut by \$200,000, that five instead of seven police stations are operating, that through a rearrangement of surpluses about \$50,000 less in tax money is appropriated annually to the sinking fund than formerly, and that more than a million dollars' worth of highway improvement projects have been rejected by the city council finance committee are indications of the effectiveness of the Bureau.

"Obviously the Bureau may not say that it has accomplished all this, but in every one of these instances the fact that the Bureau either called attention to the possibilities, or advocated a particular course of action that would produce these results is a matter of record which may readily be demonstrated. Furthermore, except for the items of the continued tax rate and the curtailment in borrowing, the Bureau has been the only sustained influence at the city hall that has been concerned with these developments, and in both the tax rate and the borrowing items it seems fair to say that the Bureau has been influential in bringing others to exert an understanding influence toward these ends.

"Ground work has been laid for a great many other essential improvements in the operation of the city government. Rigid

control of expenditures, equitable assessment of property for tax purposes, the reorganization of the governmental structure, centralized purchasing, and improved personnel practices are all definitely under consideration and progress along these lines seems reasonably assured."

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Brief Notes

Institute of Public Administration.—

Luther Gulick, director of the Institute, has been named director of the survey of education in New York State to be conducted by a committee of the Board of Regents of the State of New York. This comprehensive study will require two years to complete.

Hartford Municipal League.—This new organization was formed to continue the governmental research work conducted during the past two years by the Municipal Research Department of the city. The Department was abolished on December 2, with the advent of a new city administration. Rollin B. Posey, director of the Municipal Research Department, will serve as the director of the Municipal League.

Rochester Bureau of Municipal Research.—The Bureau assisted in the conduct of a two-day training school on December 12 and 13 for town officials. The school was sponsored by the Gannett newspapers.

Dayton Research Association.—A report on the trend of financial policies in the Dayton public schools has recently been completed by the Association's research director, Mr. Chalmers Miller.

Industrial, Commercial, and Agricultural Conference of Texas.—The Conference has recently published a detailed comparative study of the appropriations made for the support of state departments and agencies from 1916 to 1935. During the past four years the Conference has drafted and sponsored a series of measures designed to improve the administration of state and local governments. These measures include: a uniform budget act, a law requiring fiscal reports from all local governments, a law setting up a system of uniform accounts and accounting procedures in the counties of the state, and an amendment abolishing the fee system of compensating state and county officers.